

**STATE OF MICHIGAN
FISCAL YEAR 2021-22**

Appropriations Summary and Analysis



Mary Ann Cleary, Director

NOVEMBER 2021

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MARY ANN CLEARY, DIRECTOR

P.O. BOX 30014 ■ LANSING, MICHIGAN 48909-7514
PHONE: (517) 373-8080 ■ FAX: (517) 373-5874
www.house.mi.gov/hfa

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November 2021

TO: Members of the Michigan House of Representatives

FROM: Mary Ann Cleary, Director

This ***FY 2021-22 Appropriations Summary and Analysis*** summarizes the FY 2021-22 state budget. A *Glossary*, following the table of contents, explains terms used throughout this report to describe Michigan's budget. The *Budget Overview* provides information on resources used and major funding changes in the FY 2021-22 year-to-date budget; summary tables of appropriated funds and fund sources are also included. *Budget Detail* pages note enacted major budget and boilerplate changes for each budget area.

When analyzing the budget, it is important to note the following:

Adjusted Gross is the amount to use when measuring the total amount of funding included in the state budget (including spending from federal sources).

State Spending from State Sources (State Restricted plus GF/GP) is the amount to use when measuring the amount of state resources collected from taxpayers to finance state spending.

General Fund/General Purpose (GF/GP) is the amount to use when measuring unrestricted state resources available for legislative allocation to various state programs.

Information in the *Budget Detail* section was provided by HFA Analysts; report production was coordinated by Kathryn Bateson, Administrative Assistant. House Fiscal Agency staff and their areas of responsibility are listed on the inside back cover of this publication. Please feel free to contact them, or me, if you have questions or need further information.

TABLE OF CONTENTS

OVERVIEW

Budget Overview.....	2
Consensus Revenue Estimates	4
FY 2021-22 Balance Sheets.....	9
Charts:	
FY 2021-22 YTD Adjusted Gross Appropriations	12
FY 2021-22 YTD General Fund/General Purpose (GF/GP) Appropriations	12
FY 2021-22 Adjusted Gross Sources.....	13
FY 2021-22 GF/GP Distribution	13
Summary Tables 1 – 5.....	14-19

BUDGET DETAIL

Agriculture and Rural Development.....	22
Community Colleges.....	26
Corrections.....	31
Education (Department).....	40
Environment, Great Lakes, and Energy	46
General Government Totals	53
Attorney General.....	55
Civil Rights	58
Executive Office	60
Labor and Economic Opportunity	61
Legislature.....	71
Legislative Auditor General.....	73
State (Department).....	75
Technology, Management, and Budget.....	77
Treasury	83
Table 6 – Michigan Enhancements Grants	89
Health and Human Services.....	93
Higher Education	117
Insurance and Financial Services.....	123
Judiciary.....	125
Licensing and Regulatory Affairs.....	129
Military and Veterans Affairs.....	133
Natural Resources	139
School Aid.....	143
State Police.....	160
Transportation.....	168

GLOSSARY

Frequently Used State Budget Terms

STATE BUDGET TERMS

Line Item

Specific funding amount in an appropriation bill which establishes spending authorization for a particular program or function.

Boilerplate

Specific language sections in an appropriation bill which direct, limit, or restrict line-item expenditures, express legislative intent, and/or require reports.

Lapse

Appropriated amounts that are unspent or unobligated at the end of a fiscal year; appropriations are automatically terminated at the end of a fiscal year unless otherwise provided by law.

Work Project

Account authorized through statutory process which allows appropriated spending authorization from one fiscal year to be utilized for expenditures in a succeeding fiscal year or years for a specific project or purpose.

APPROPRIATION TERMS AND FUND SOURCES

Appropriations

Authority to expend funds for a particular purpose. An appropriation is not a mandate to spend.

Gross: Total of all applicable appropriations in an appropriation bill.

Adjusted Gross: Net amount of gross appropriations after subtracting interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

Interdepartmental Grant (IDG) Revenue

Funds received by one state department from another state department—usually for service(s) provided.

Intradepartmental Transfer (IDT) Revenue

Funds transferred from one appropriation unit to another within the same departmental budget.

Federal Revenue

Federal grant or match revenue; generally dedicated to specific programs or purposes.

Local Revenue

Revenue received from local units of government for state services.

Private Revenue

Revenue from non-government entities: rents, royalties or interest payments, payments from hospitals or individuals, or gifts and bequests.

State Restricted Revenue

State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue; at year-end, unused restricted revenue generally remains in the restricted fund.

General Fund/General Purpose (GF/GP) Revenue

Unrestricted general fund revenue available to fund basic state programs and other purposes determined by the Legislature; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.

MAJOR STATE FUNDS

General Fund

The state's primary operating fund; receives state revenue not dedicated to another state fund.

School Aid Fund (SAF)

A restricted fund that serves as the primary state funding source for K-12 schools and Intermediate School Districts. Constitutionally, SAF revenue may also be used for postsecondary education.

Budget Stabilization Fund

The Countercyclical Economic and Budget Stabilization Fund (also known as the "rainy day fund"); the Management and Budget Act provides guidelines for making deposits into and withdrawals from the fund.

FY 2021-22 Budget Detail

OVERVIEW

**Budget Overview
Consensus Revenue Estimates
FY 2021-22 Balance Sheets
Summary Tables**

OVERVIEW

**FY 2021-22
BUDGET OVERVIEW**

Mary Ann Cleary, Director, and Kevin Koorstra, Deputy Director

The budget overview highlights the components that have contributed to the fiscal year (FY) 2021-22 appropriations.

The year-to-date (YTD) state budget for FY 2021-22 incorporates the May 2021 Consensus Revenue Estimating Conference (CREC) revenue estimates. In addition to those estimates, the budget assumes the following major funding sources for the General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) budgets:

- Beginning balances of \$2,197.1 million GF/GP and \$1,702.2 million SAF.
- Continued use of tobacco settlement revenue of \$72.0 million from the new Community District Education Trust Fund.

	FY 2020-21 Year-to-Date as of 2/11/21	FY 2021-22 Enacted	Difference: FY 2021-22 vs. FY 2020-21	
			Amount	%
Adjusted Gross	\$61,933.3	\$68,681.4	\$6,748.1	10.9%
Federal	\$25,825.7	\$30,255.0	\$4,429.2	17.2%
Local/Private	\$501.3	\$495.7	(\$5.6)	(1.1%)
Restricted	\$24,760.7	\$26,163.2	\$1,402.5	5.7%
GF/GP	\$10,845.5	\$11,767.5	\$922.1	8.5%

Of the \$37,930.7 million in state resources (restricted plus GF/GP) appropriated for FY 2021-22, \$21,427.9 million (56.5% of the total) is designated for payments to local units of government. Article IX, Section 30 of Michigan's Constitution requires that at least 48.97% of spending from state resources must be paid to local governments.

The FY 2021-22 budget includes over \$650.0 million in ongoing program increases and over \$700 million in one-time appropriations.

Major FY 2021-22 GF/GP program increases both ongoing and one-time include:

- \$164.5 million GROSS (\$79.5 million) for direct care wage increases. (DHHS)
- \$146.9 million in Michigan enhancement grants. (LEO)
- \$50.0 million for the Michigan Reconnect program. (LEO)
- \$48.0 million in Michigan infrastructure grants. (LEO)
- \$25.0 million for agricultural nutrient best management voluntary practices. (MDARD)
- \$25.0 million for Futures for Frontliners legacy program. (LEO)
- \$20.0 million investment for advanced persistent cyber security threats. (DTMB)
- \$17.5 million increase deposit into the Information Technology Investment Fund (ITIF). (DTMB)
- \$16.0 million for NextGen infrastructure grants. (Treasury)
- \$15.0 million for drinking water emergency assistance. (EGLE)
- \$14.5 million for PFAS Remediation. (EGLE)
- \$14.3 million for high water infrastructure grants. (EGLE)
- \$14.3 million for numerous behavioral health programs. (DHHS)
- \$13.0 million for a dam safety grant program. (EGLE)
- \$12.0 million to fund standard 5 of the Michigan Indigent Defense Commission grants. (LARA)
- \$11.3 million to increase the Going Pro program. (LEO)
- \$10.0 million for contaminated site cleanup. (EGLE)
- \$10.0 million for lead service line replacements. (EGLE)

FY 2021-22 federal Coronavirus State Fiscal Recovery Funds allocations of \$161.9 million include:

- \$100.0 million for community revitalization and placemaking grants. (LEO)
- \$37.5 million Medicaid long-term care rate adjustment. (DHHS)
- \$20.0 million for Pure Michigan program. (LEO)
- \$4.4 million for multicultural integration funding. (DHHS)

Major FY 2021-22 School Aid and Higher Education funding changes include:

- \$680.0 million increase to increase minimum foundation allowances to \$8,700 per pupil.
- \$240.0 million for wraparound services.
- \$75.0 million in federal ESSER funds for year-round capital infrastructure grants.
- \$60.0 million SAF for year-round instructional programs.
- \$168.5 million Gross (\$47.5 million SAF) increase for the Great Start Readiness program.
- \$34.2 million for special education millage revenue supplemental payments.
- \$30.0 million increase for special education cost reimbursements.
- \$25.0 million to pay outstanding operating debt for former Inkster school district.
- \$84.7 million GF/GP (one-time) MPSERS payment to qualifying universities.
- \$15.1 million GF/GP (one-time) operations increase for universities.
- \$3.2 million (one-time) operations increase to community colleges.

FY 2021-22 budget includes the following funding changes for local revenue sharing programs:

- An estimated increase of \$60.2 million from the adjusted FY 2020-21 level in constitutional revenue sharing payments to cities, villages, and townships (CVTs) based on sales tax collections.
- \$5.2 million to provide a 2.0% increase to CVTs.
- \$4.5 million to provide a 2.0% increase to counties.

The FY 2021-22 enacted budget bills (SB 82, HB 4400 and HB 4411) contain FY 2020-21 supplemental appropriations. These adjustments include:

- \$1.0 billion federal Coronavirus Relief funds and federal American Rescue Plan Act (ARPA) funds
- \$505.4 million Gross (\$628.9 million GF/GP reduction) increase as part of the estimated DHHS-related caseload adjustments from the May 2021 CREC.
- \$500.0 million deposit into the Budget Stabilization Fund.
- \$362.0 million federal ESSER per-pupil equalization payments to qualified school districts.
- \$150.0 million in federal Coronavirus State Fiscal Recovery Funds to be deposited into the unemployment Compensation Fund.
- \$57.3 million to universities operations payments for maintenance of effort requirement.
- \$12.7 million to community college operations payments for maintenance of effort requirement.

A more detailed summary of major budget changes by individual budget area begins on page 22.

OVERVIEW

CONSENSUS REVENUE ESTIMATES

Jim Stansell, Senior Economist

This section describes the May 2021 Consensus Revenue Estimating Conference revenue projections, adjusted for changes enacted, for GF/GP and SAF revenue for FY 2020-21 and FY 2021-22.

For Michigan:

- Wage and salary employment is expected to increase 3.6% in CY 2021 and 3.4% in CY 2022.
- The unemployment rate is expected to decline from 5.1% in CY 2021 to 4.6% in CY 2022.
- Personal income is expected to increase 2.5% in CY 2021 before declining by 1.1% in CY 2022.

General Fund/General Purpose Revenue by Source

Individual Income Tax

- GF/GP individual income tax revenue is expected to decrease 1.1% in FY 2020-21 before increasing 7.3% in FY 2021-22. The decline in FY 2020-21 is due in part to the increase in the transportation earmark from \$468.0 million in FY 2019-20 to \$600 million in FY 2020-21.

Sales and Use Taxes

- GF/GP sales and use tax revenue is estimated to grow at a 22.9% rate to \$2,515.2 million in FY 2020-21. In FY 2021-22, sales and use tax revenue is estimated to grow by 0.7% to \$2,531.8 million. The large increase in FY 2021-22 illustrates the shift from purchasing taxable goods as opposed to untaxed services during the pandemic.

Net Business Taxes

- Net business taxes are comprised of the Single Business Tax (SBT), the Michigan Business Tax (MBT), the corporate income tax (CIT), and insurance taxes, all of which accrue to the General Fund.
- Net business taxes are estimated to be \$1,147.2 million in FY 2020-21. In FY 2021-22, net business taxes are expected to decrease to \$1,010.0 million.

GF/GP Tax Revenue

- GF/GP tax revenue in FY 2020-21 is expected to grow by 5.4% to \$10,905.5 million and 3.5% to \$11,290.0 million in FY 2021-22.

Net GF/GP Revenue

- Total net GF/GP revenue includes tax revenue and non-tax revenue.
- Non-tax revenue includes revenue from the liquor purchase revolving fund, federal aid, licenses and permits, and investment income and borrowing costs.
- Net GF/GP revenue is expected to grow to \$11,276.8 million in FY 2020-21 and \$11,673.2 million in FY 2021-22, an increase of 3.5%.

GF/GP REVENUE ESTIMATES
(Millions of Dollars)

	FY 2020-21	FY 2021-22	FY 2021-22 Over FY 2020-21	
			Change	
Individual Income Tax	\$6,793.9	\$7,289.1	\$495.2	7.3%
Sales and Use Taxes	2,515.2	2,531.8	16.6	0.7%
Net Business Taxes	1,147.2	1,010.0	(137.2)	(12.0%)
Other Taxes	449.2	459.1	9.9	2.2%
GF/GP Tax Revenue	\$10,905.5	\$11,290.0	\$384.5	3.5%
Non-Tax Revenue	371.3	383.2	11.9	3.2%
Net GF/GP Revenue	\$11,276.8	\$11,673.2	\$396.4	3.5%

SCHOOL AID FUND REVENUE ESTIMATES
(Millions of Dollars)

Revenue	FY 2020-21	FY 2021-22	FY 2021-22 Over FY 2020-21	
			Change	
Sales and Use Taxes	\$7,324.3	\$7,391.0	\$66.7	0.9%
Individual Income Tax Earmark	3,188.2	3,245.4	57.2	1.8%
Lottery and Casinos	1,343.0	1,275.6	(67.4)	(5.0%)
Cigarette Tax	325.3	318.2	(7.1)	(2.2%)
State Education Tax	2,267.6	2,324.3	56.7	2.5%
Real Estate Transfer Tax	443.6	402.4	(31.2)	(7.2%)
Liquor Excise and Specific Taxes	150.4	174.1	23.7	15.8%
Net SAF Revenue	\$15,032.4	\$15,131.0	\$98.6	0.7%

School Aid Fund Revenue by Source

Sales and Use Taxes

- Combined sales and use tax revenue dedicated to the SAF is forecast to increase to \$7,324.3 million in FY 2020-21 and \$7,391.0 million in FY 2021-22, an increase of 0.9%.

Income Tax

- House Bill 4125 (2020 PA 75) restored the earmark to approximately 23.81% of gross income tax revenue.
- SAF dedicated income tax revenue is forecast to be \$3,188.2 million in FY 2020-21, and then increase 1.8% to \$3,245.4 million in FY 2021-22.

Lottery/Casinos

- Lottery and casino revenue to the SAF is projected to increase to \$1,343.0 million in FY 2020-21 before dropping to \$1,275.6 million in FY 2021-22.

Cigarette Tax

- Approximately 41.3% of cigarette tax revenue is dedicated to the SAF.
- The demand for tobacco products is expected to decline over the duration of the forecast, leading to total SAF tobacco tax revenue of \$325.3 million in FY 2020-21 and \$318.2 million in FY 2021-22.

OVERVIEW

State Education Tax/Real Estate Transfer Tax

- All of the 6-mill state education tax (SET) and the real estate transfer tax (RET) is dedicated to the SAF.
- SET revenue is expected to increase to \$2,267.6 million in FY 2020-21 and \$2,324.3 million in FY 2021-22.
- RET is forecast to increase to \$433.6 million in FY 2020-21 before dropping to \$402.2 million in FY 2021-22.

Net SAF Revenue

- Net SAF revenue represents revenue available for expenditure each year; it includes tax changes but does not include any GF/GP transfers, federal funds, or year-end balances.
- Net SAF revenue is expected to increase 7.4% to \$15,032.4 million in FY 2020-21 and 0.7% to \$15,131.0 million in FY 2021-22.

Budget Stabilization Fund Year-End Balances

The following table lists BSF deposits, withdrawals, and interest earnings from FY 1999-2000 to FY 2019-20, and HFA estimates of deposits, expected interest earnings, and year-end balances for FY 2020-21 and FY 2021-22. Deposits include appropriations as well as the provisions enacted in 2014 PA 186, which amended the Michigan Trust Fund Act to require annual \$17.5 million deposits of tobacco settlement revenue to the BSF from FY 2014-15 through FY 2034-35.

After a \$350.0 million withdrawal, the FY 2019-20 year-end BSF balance was \$829.3 million. For FY 2020-21, \$35.0 million in GF/GP revenue was initially appropriated to the BSF along with the required \$17.5 million of tobacco settlement revenue. At the end of FY 2020-21, an additional \$500.0 million was appropriated.

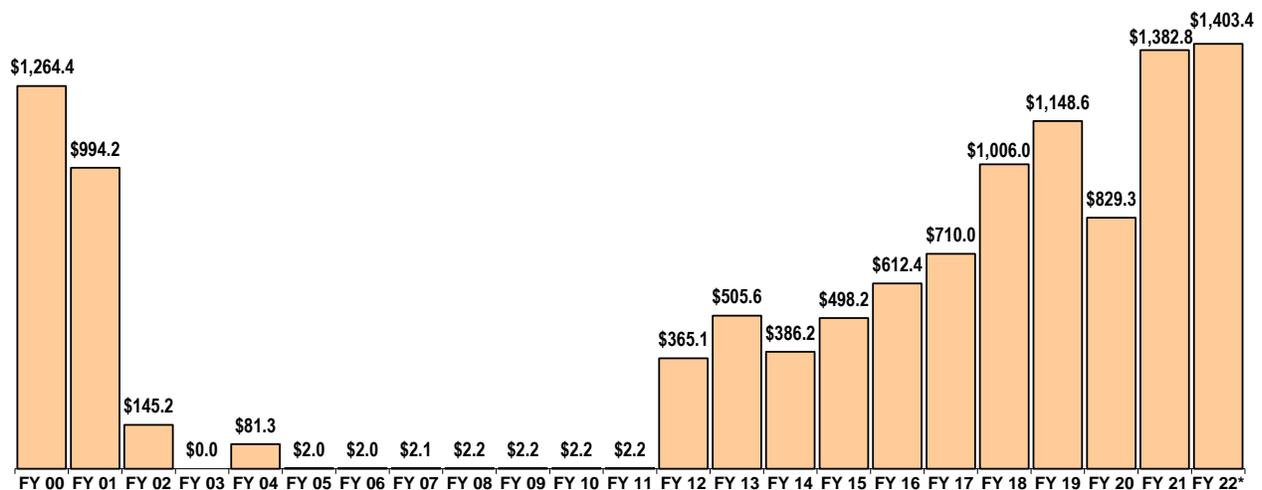
The only deposit for FY 2021-22 is the required \$17.5 million of tobacco settlement revenue, which will bring the final fund balance to an estimated \$1,382.8 million for FY 2020-21 and \$1,403.4 million for FY 2021-22.

**BUDGET STABILIZATION FUND HISTORY
(Millions of Dollars)**

Fiscal Year	Deposits	Withdrawals	Interest Earned	Balance
1999-2000	\$100.0	\$132.0	\$73.9	\$1,264.4
2000-01	0.0	337.0	66.7	994.2
2001-02	0.0	869.8	20.8	145.2
2002-03	0.0	156.1	10.9	0.0
2003-04	81.3	0.0	0.0	81.3
2004-05	0.0	81.3	2.0	2.0
2005-06	0.0	0.0	0.0	2.0
2006-07	0.0	0.0	0.1	2.1
2007-08	0.0	0.0	0.1	2.2
2008-09	0.0	0.0	0.0	2.2
2009-10	0.0	0.0	0.0	2.2
2010-11	0.0	0.0	0.0	2.2
2011-12	362.7	0.0	0.2	365.1
2012-13	140.0	0.0	0.5	505.6
2013-14	75.0	194.8	0.4	386.2
2014-15	111.6	0.0	0.3	498.2
2015-16	112.5	0.0	1.7	612.4
2016-17	92.5	0.0	5.1	710.0
2017-18	282.5	0.0	13.5	1,006.0
2018-19	117.5	0.0	25.1	1,148.6
2019-20	17.5	350.0	13.2	829.3
2020-21	552.5	0.0	1.0	1,382.8
2021-22*	17.5	0.0	3.1	1,403.4

Note: Numbers may not add due to rounding.
*HFA estimates.

**BUDGET STABILIZATION FUND (BSF) BALANCE
(Millions of Dollars)**



OVERVIEW

Compliance with the State Revenue Limit

HFA estimates of the state revenue limit provided for in Article IX, Section 26, of the *Constitution of the State of Michigan*, and estimates of total state revenue collections subject to the state revenue limit are shown in the following table. As provided for in the Constitution, the revenue limit is calculated as 9.49% of total state personal income in the previous full calendar year (CY) prior to the fiscal year in which the revenue is measured, as estimated by the Bureau of Economic Analysis, United States Department of Commerce.

**COMPLIANCE WITH THE STATE REVENUE LIMIT
(Millions of Dollars)**

<u>Revenue Limit Calculations</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>
Personal Income	CY 2019	CY 2020
Amount	\$491,632	\$528,093
X Limit Ratio	9.49%	9.49%
State Revenue Limit	\$46,655.9	\$50,116.0
Total Revenue Subject to Revenue Limit	\$36,198.7	\$36,833.5
Amount (Under) Over State Revenue Limit	(\$10,457.2)	(\$13,282.5)

Implications of Exceeding the State Revenue Limit

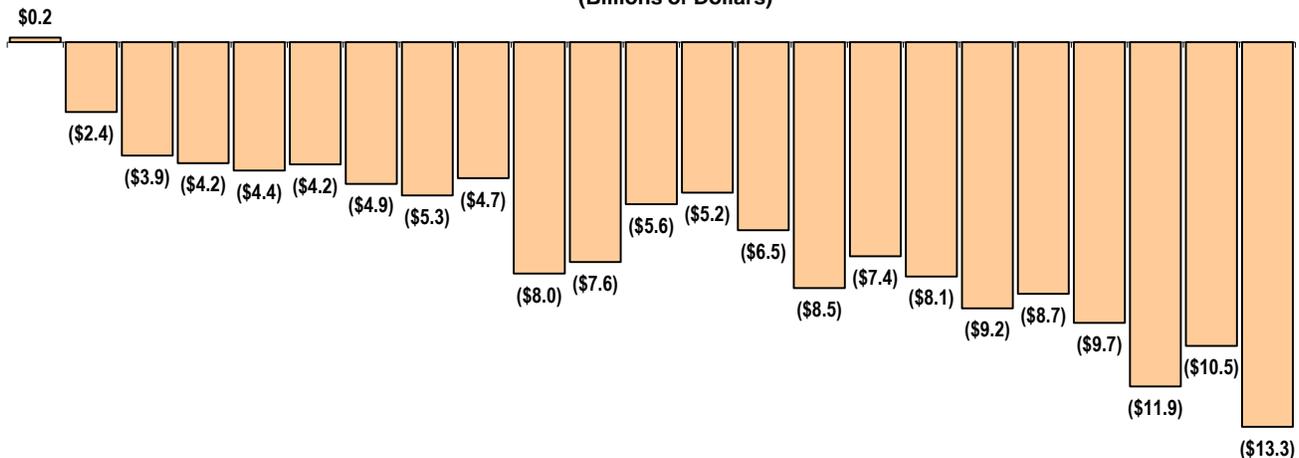
Article IX, Section 26, *Constitution of the State of Michigan*, provides that:

... For any fiscal year in the event that Total State Revenue exceed the limit established in this section by 1% or more, the excess revenues shall be refunded pro rata based on the liability reported on the Michigan income tax and single business tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than 1%, this excess may be transferred to the State Budget Stabilization Fund . . .

Furthermore, the state is prohibited from spending any current year revenue in excess of the limit established in Section 26 by Article IX, Section 28.

For both FY 2020-21 and FY 2021-22, state revenue is estimated to be substantially below the revenue limit by roughly \$10.5 billion and \$13.3 billion, respectively.

**CONSTITUTIONAL REVENUE LIMIT
(Billions of Dollars)**



FY 00 FY 01 FY 02 FY 03 FY 04 FY 05 FY 06 FY 07 FY 08 FY 09 FY 10 FY 11 FY 12 FY 13 FY 14 FY 15 FY 16 FY 17 FY 18 FY 19 FY 20 FY 21*FY 22*

*FY 21 and FY 22 are consensus estimates

FY 2021-22 BALANCE SHEETS

The balance sheets below summarize estimated General Fund/General Purpose, School Aid Fund, and Merit Award Trust Fund revenues, expenditures, and balance amounts for FY 2021-22 based on the year-to-date state budget.

FY 2021-22 GENERAL FUND/GENERAL PURPOSE BALANCE SHEET (Millions of Dollars)

Estimated Beginning Fund Balance	\$2,197.1
<hr/>	
Revenues	
May 2021 consensus revenue estimate	\$11,673.1
Venture Michigan Fund (purchase vouchers)	75.0
Other	(7.3)
Revenue sharing to local units of government	(500.3)
Total Estimated Revenues	\$11,240.5
<hr/>	
Expenditures	
Enacted appropriations: ongoing	\$10,722.7
Enacted appropriations: one-time	709.4
General Fund to School Aid	85.4
Other EGLE deposit	10.0
Total Estimated Expenditures	\$11,527.5
<hr/>	
Estimated Ending Fund Balance	\$1,910.1

OVERVIEW

**FY 2021-22 SCHOOL AID FUND BALANCE SHEET
(Millions of Dollars)**

Estimated Beginning Fund Balance	\$1,702.2
Revenues	
May 2021 consensus revenue estimate	\$15,131.0
General Fund/General Purpose grant	85.4
Community District Education Trust Fund	72.0
Other	(9.6)
Federal aid	2,024.5
Total Estimated Revenues	\$17,303.3
Expenditures	
Enacted appropriations: School Aid ongoing	\$16,978.1
Enacted appropriations: Community Colleges	431.4
Enacted appropriations: Higher Education	361.4
Total Estimated Expenditures	\$17,770.9
Estimated Ending Fund Balance	\$1,234.6

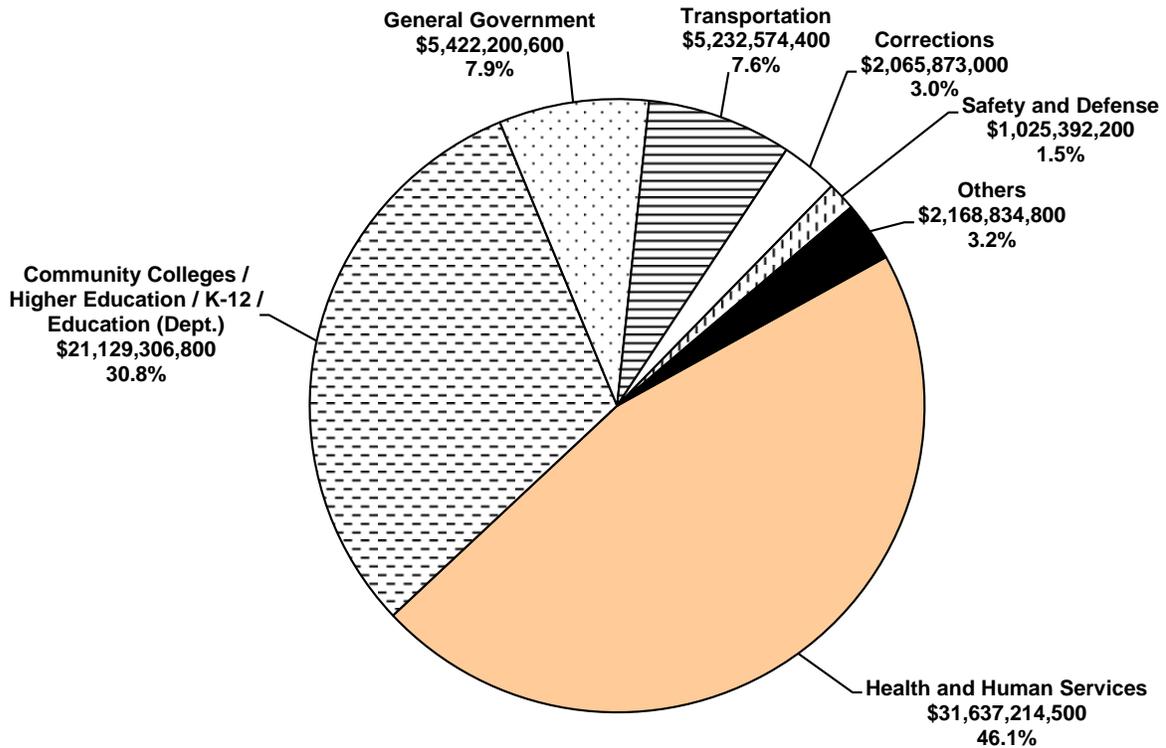
FY 2021-22 MERIT AWARD TRUST FUND BALANCE SHEET
(Millions of Dollars)

Estimated Beginning Fund Balance	\$29.4
Revenues	
Annual tobacco settlement payment due to Michigan	\$301.2
Debt service payments for prior securitization	(72.6)
Deposit to 21 st Century Jobs Fund	(75.0)
Repayment to Budget Stabilization Fund for Detroit settlement payment	(17.5)
Transfer to Community District Education Trust Fund	(72.0)
Interest	0.1
Total Estimated Net Revenues	\$64.1
Expenditures	
Attorney General: Administration	\$0.5
Community Health: Medicaid base funding	57.2
Community Health: Aging – Respite care	4.1
State Police: Tobacco settlement enforcement	0.9
Treasury: Tuition Incentive Program administration	1.2
Total Estimated Expenditures	\$63.9
Estimated Ending Fund Balance	\$29.7

OVERVIEW

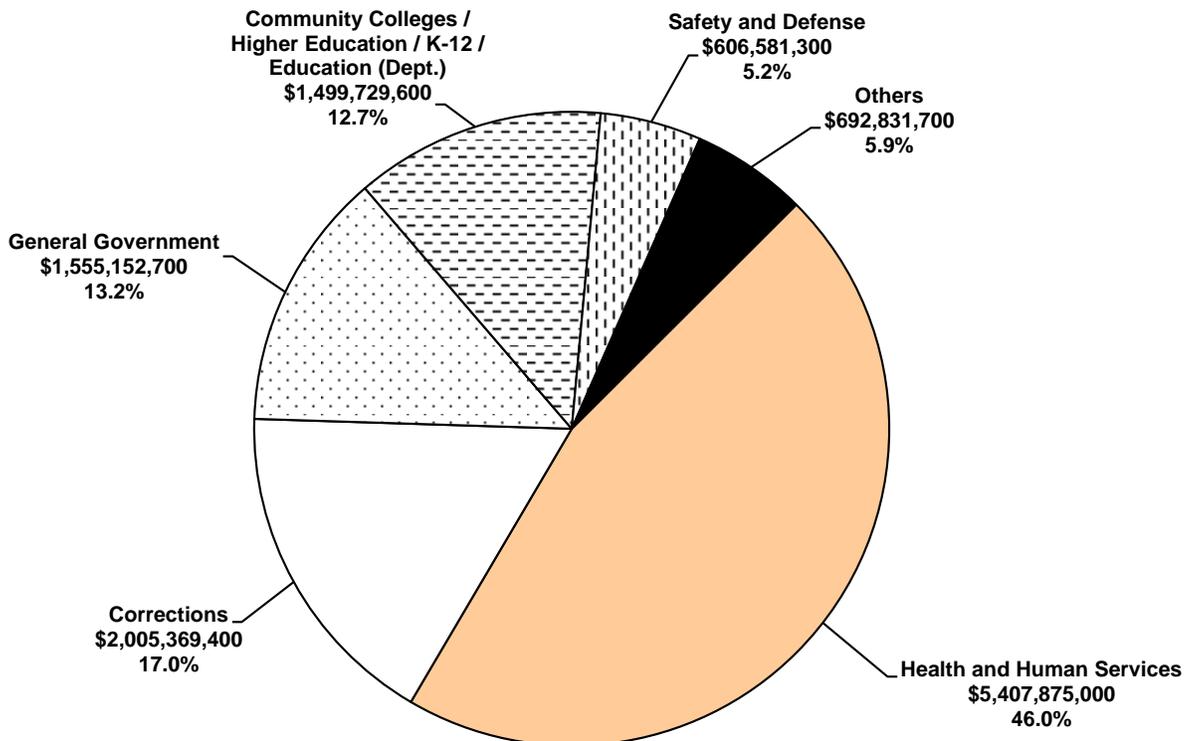
FY 2021-22 Year-to-Date Adjusted Gross Appropriations

Total: \$68,681,396,300

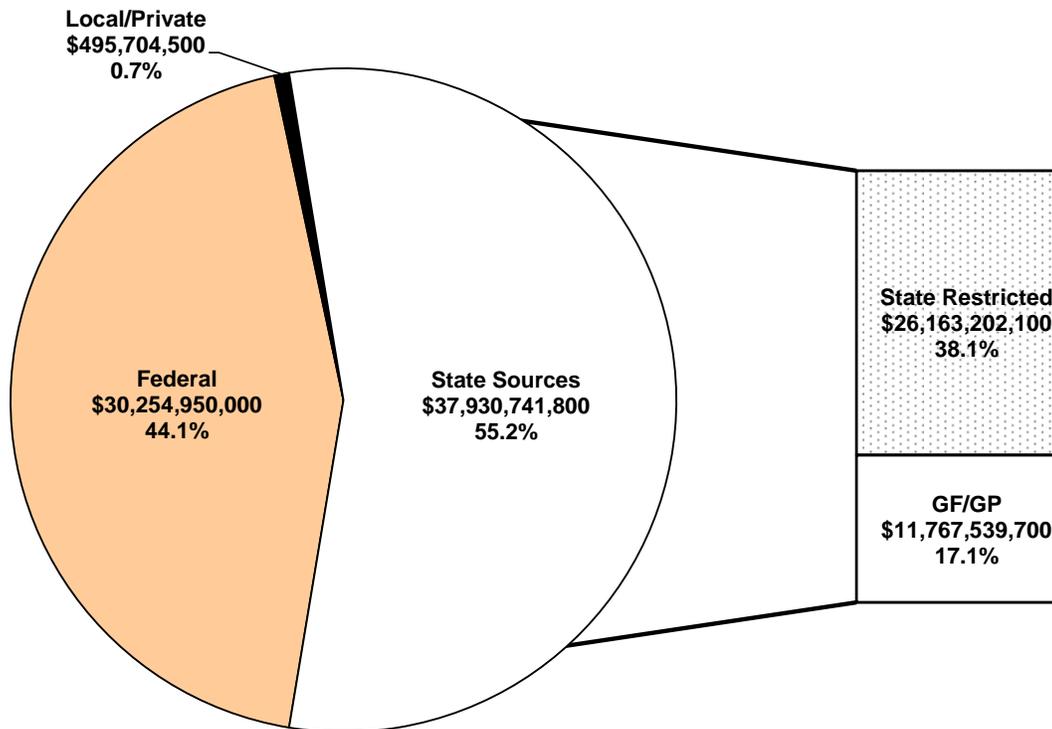


FY 2021-22 Year-to-Date General Fund/General Purpose (GF/GP) Appropriations

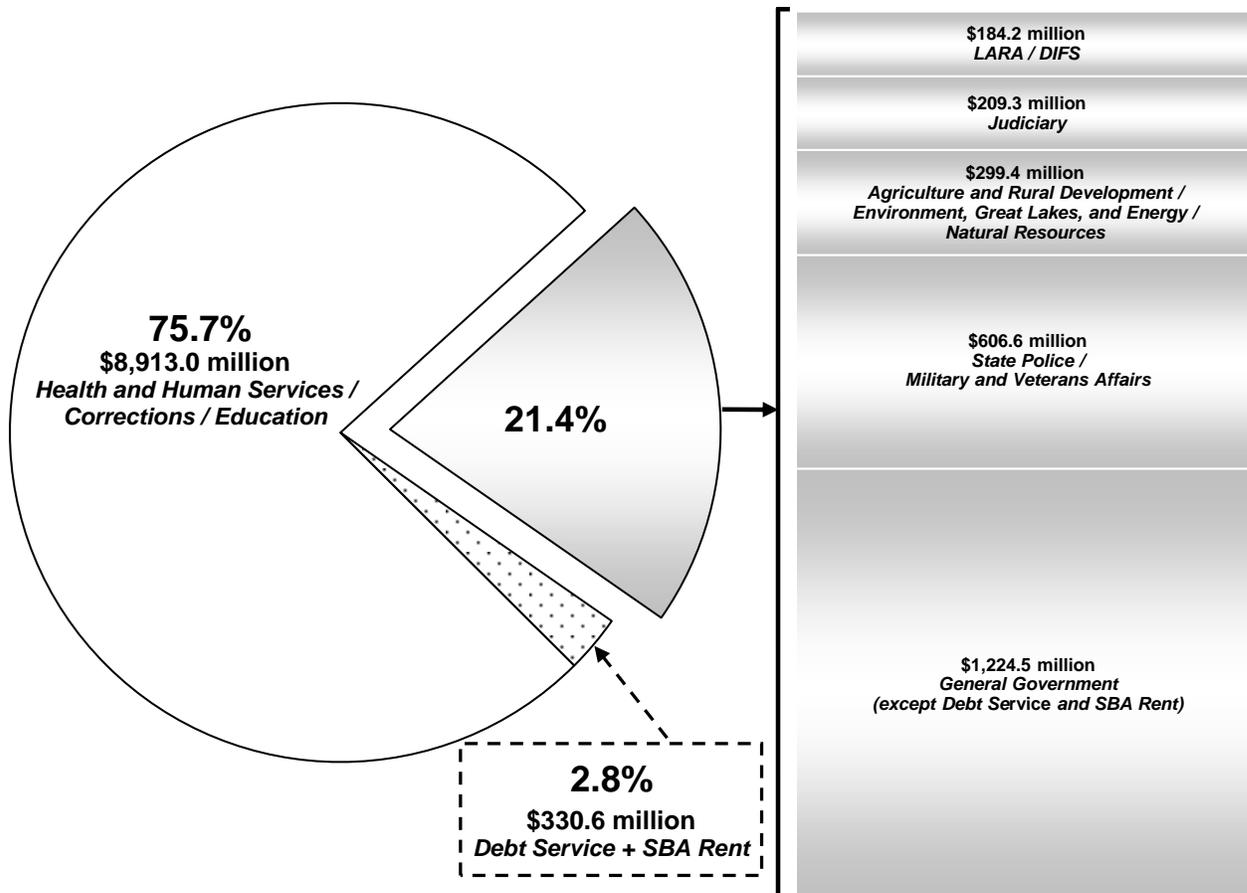
Total: \$11,767,539,700



FY 2020-21 Year-to-Date Adjusted Gross Sources = \$68,681,396,300



FY 2021-22 Year-to-Date GF/GP Distribution = \$11,767,539,700



SUMMARY TABLES

In the following tables, FY 2020-21 YTD (as of 2/11/2120) and FY 2021-22 appropriations as enacted.

Table 1 (page 15) details the FY 2021-22 appropriations by Source of Funds. When interdepartmental grants and intradepartmental transfers are deducted (to avoid double counting), gross appropriations of \$69,908.5 million reduce to \$68,681.4 million in adjusted gross appropriations.

Table 2 (page 16) and **Table 3** (page 17) compare FY 2020-21 YTD appropriations to FY 2021-22 enacted appropriations

Adjusted Gross Appropriations increase from \$61,933.3 million in FY 2020-21 to \$68,681.4 million in FY 2021-22, an increase of \$6,748.1 million or 10.9%.

GF/GP Appropriations increase from \$10,845.5 million in FY 2020-21 to \$11,767.5 million in FY 2021-22, an increase of \$922.1 million or 8.5%.

Table 4 (page 18) compares the number of authorized Full-Time Equated (FTE) Positions (classified and unclassified) from FY 2020-21 to FY 2021-22. An increase of 199.9 FTEs is shown in Table 4—from 54,339.6 in FY 2020-21 to 54,539.5 in FY 2021-22. Each FTE is equivalent to 2,088 hours of employee compensated time (including overtime, annual leave, and used sick leave) during the year.

Table 5 (page 19) shows FY 2021-22 State Spending from State Sources Paid to Local Governments and compares enacted payments to local units of government to the amount of spending from state sources provided in each budget. Pursuant to Article IX, Section 30 of the *Constitution of the State of Michigan of 1963*, at least 48.97% of state spending from state resources must be paid to all units of local government. The enacted FY 2021-22 budget provides for \$21,427.9 million in state spending to local units of government, 56.5% of the estimated \$37,930.7 million in state spending from state resources—well above the constitutional requirement.

TABLE 1
FY 2021-22 ENACTED APPROPRIATIONS BY SOURCE OF FUNDS

<u>Department/Budget Area</u>	<u>Gross</u>	<u>IDG/IDT</u>	<u>Adjusted Gross</u>	<u>Federal</u>	<u>Local</u>	<u>Private</u>	<u>State Restricted</u>	<u>GF/GP</u>
Agriculture and Rural Development	\$155,560,300	\$320,000	\$155,240,300	\$13,599,800	\$0	\$71,300	\$44,202,300	\$97,366,900
Attorney General	108,398,800	35,083,600	73,315,200	9,868,400	0	0	20,390,800	43,056,000
Capital Outlay	0	0	0	0	0	0	0	0
Civil Rights	17,834,100	298,900	17,535,200	2,850,700	0	18,700	58,500	14,607,300
Community Colleges	431,417,000	0	431,417,000	0	0	0	431,417,000	0
Corrections	2,065,873,000	0	2,065,873,000	5,364,100	9,646,100	0	45,493,400	2,005,369,400
Education	1,912,027,900	0	1,912,027,900	1,797,625,600	5,870,300	2,238,500	9,785,400	96,508,100
Environment, Great Lakes, and Energy	689,770,700	3,544,900	686,225,800	226,889,200	0	1,411,200	304,549,900	153,375,500
Executive Office	7,318,600	0	7,318,600	0	0	0	0	7,318,600
Health and Human Services	31,651,808,000	14,593,500	31,637,214,500	22,907,479,800	162,951,100	172,276,500	2,986,632,100	5,407,875,000
Higher Education	1,807,751,200	0	1,807,751,200	128,526,400	0	0	361,403,300	1,317,821,500
Insurance and Financial Services	72,987,600	724,600	72,263,000	1,017,100	0	0	71,245,900	0
Judiciary	320,463,100	1,652,300	318,810,800	6,374,800	7,619,800	1,222,600	94,312,700	209,280,900
Labor and Economic Opportunity (MSF)	2,073,829,100	0	2,073,829,100	1,282,114,800	10,900,000	11,267,000	273,502,700	496,044,600
Legislative Auditor General	27,114,600	6,345,200	20,769,400	0	0	0	2,170,500	18,598,900
Legislature	186,648,200	0	186,648,200	0	0	406,000	4,706,800	181,535,400
Licensing and Regulatory Affairs	517,236,400	45,079,800	472,156,600	29,030,900	0	0	258,929,800	184,195,900
Military and Veterans Affairs	220,852,600	101,800	220,750,800	120,015,300	0	640,000	21,336,700	78,758,800
Natural Resources	464,341,400	203,100	464,138,300	91,291,300	0	7,039,200	317,195,300	48,612,500
School Aid	16,978,110,700	0	16,978,110,700	2,024,478,500	0	0	14,868,232,200	85,400,000
State	252,164,300	20,000,000	232,164,300	1,460,000	0	50,100	218,218,600	12,435,600
State Police	829,457,700	24,816,300	804,641,400	125,953,100	4,832,700	35,000	145,998,100	527,822,500
Tech., Mgmt. and Budget: Operations	1,470,299,200	1,057,210,900	413,088,300	5,129,800	2,328,700	134,700	121,020,600	284,474,500
Tech., Mgmt. and Budget: SBA Rent	231,570,600	0	231,570,600	0	0	0	0	231,570,600
Transportation	5,236,619,200	4,044,800	5,232,574,400	1,448,519,000	80,782,000	900,000	3,702,373,400	0
Treasury: Operations	667,235,900	13,073,500	654,162,400	27,361,400	13,032,000	31,000	447,723,800	166,014,200
Treasury: Debt Service	99,064,000	0	99,064,000	0	0	0	0	99,064,000
Treasury: Revenue Sharing	1,412,735,300	0	1,412,735,300	0	0	0	1,412,302,300	433,000
TOTAL APPROPRIATIONS	\$69,908,489,500	\$1,227,093,200	\$68,681,396,300	\$30,254,950,000	\$297,962,700	\$197,741,800	\$26,163,202,100	\$11,767,539,700

OVERVIEW

TABLE 2
ADJUSTED GROSS APPROPRIATIONS
FY 2021-22 Enacted Appropriations Compared with FY 2020-21 YTD

<u>Department/Budget Area</u>	<u>FY 2020-21 YTD as of 2/11/21</u>	<u>FY 2021-22 Enacted</u>	<u>FY 2021-22 vs. FY 2020-21 Difference</u>	
Agriculture and Rural Development	\$120,970,600	\$155,240,300	\$34,269,700	28.3%
Attorney General	71,542,800	73,315,200	1,772,400	2.5%
Capital Outlay	0	0	0	--
Civil Rights	17,737,600	17,535,200	(202,400)	(1.1%)
Community Colleges	425,667,600	431,417,000	5,749,400	1.4%
Corrections	2,060,788,400	2,065,873,000	5,084,600	0.2%
Education	451,695,700	1,912,027,900	1,460,332,200	323.3%
Environment, Great Lakes, and Energy	508,021,500	686,225,800	178,204,300	35.1%
Executive Office	7,114,300	7,318,600	204,300	2.9%
Health and Human Services	28,712,581,100	31,637,214,500	2,924,633,400	10.2%
Higher Education	1,699,925,400	1,807,751,200	107,825,800	6.3%
Insurance and Financial Services	72,587,100	72,263,000	(324,100)	(0.4%)
Judiciary	312,088,400	318,810,800	6,722,400	2.2%
Labor and Economic Opportunity (MSF)	1,684,364,300	2,073,829,100	389,464,800	23.1%
Legislative Auditor General	20,463,500	20,769,400	305,900	1.5%
Legislature	175,739,900	186,648,200	10,908,300	6.2%
Licensing and Regulatory Affairs	437,725,000	472,156,600	34,431,600	7.9%
Military and Veterans Affairs	228,849,700	220,750,800	(8,098,900)	(3.5%)
Natural Resources	469,391,000	464,138,300	(5,252,700)	(1.1%)
School Aid	15,525,164,800	16,978,110,700	1,452,945,900	9.4%
State	234,297,500	232,164,300	(2,133,200)	(0.9%)
State Police	741,869,900	804,641,400	62,771,500	8.5%
Tech., Mgmt. and Budget: Operations	418,663,500	413,088,300	(5,575,200)	(1.3%)
Tech., Mgmt. and Budget: SBA Rent	231,570,600	231,570,600	0	0.0%
Transportation	5,103,407,500	5,232,574,400	129,166,900	2.5%
Treasury: Operations	745,370,700	654,162,400	(91,208,300)	(12.2%)
Treasury: Debt Service	113,735,000	99,064,000	(14,671,000)	(12.9%)
Treasury: Revenue Sharing	1,341,924,300	1,412,735,300	70,811,000	5.3%
TOTAL APPROPRIATIONS	\$61,933,257,700	\$68,681,396,300	\$6,748,138,600	10.9%

TABLE 3
GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS
FY 2021-22 Enacted Appropriations Compared with FY 2020-21

<u>Department/Budget Area</u>	<u>FY 2020-21 YTD as of 2/11/21</u>	<u>FY 2021-22 Enacted</u>	<u>FY 2021-22 vs. FY 2020-21 Difference</u>	
Agriculture and Rural Development	\$63,616,800	\$97,366,900	\$33,750,100	53.1%
Attorney General	41,148,400	43,056,000	1,907,600	4.6%
Capital Outlay	0	0	0	--
Civil Rights	14,792,200	14,607,300	(184,900)	(1.2%)
Community Colleges	0	0	0	--
Corrections	1,809,258,400	2,005,369,400	196,111,000	10.8%
Education	90,067,100	96,508,100	6,441,000	7.2%
Environment, Great Lakes, and Energy	59,443,900	153,375,500	93,931,600	158.0%
Executive Office	7,114,300	7,318,600	204,300	2.9%
Health and Human Services	5,224,838,900	5,407,875,000	183,036,100	3.5%
Higher Education	1,217,835,700	1,317,821,500	99,985,800	8.2%
Insurance and Financial Services	0	0	0	--
Judiciary	201,934,300	209,280,900	7,346,600	3.6%
Labor and Economic Opportunity (MSF)	251,367,600	496,044,600	244,677,000	97.3%
Legislative Auditor General	18,324,000	18,598,900	274,900	1.5%
Legislature	170,702,600	181,535,400	10,832,800	6.3%
Licensing and Regulatory Affairs	149,605,600	184,195,900	34,590,300	23.1%
Military and Veterans Affairs	84,280,200	78,758,800	(5,521,400)	(6.6%)
Natural Resources	50,697,300	48,612,500	(2,084,800)	(4.1%)
School Aid	50,964,600	85,400,000	34,435,400	67.6%
State	12,597,500	12,435,600	(161,900)	(1.3%)
State Police	439,376,600	527,822,500	88,445,900	20.1%
Tech., Mgmt. and Budget: Operations	284,755,500	284,474,500	(281,000)	(0.1%)
Tech., Mgmt. and Budget: SBA Rent	231,570,600	231,570,600	0	0.0%
Transportation	0	0	0	--
Treasury: Operations	257,432,200	166,014,200	(91,418,000)	(35.5%)
Treasury: Debt Service	113,735,000	99,064,000	(14,671,000)	(12.9%)
Treasury: Revenue Sharing	0	433,000	433,000	--
TOTAL APPROPRIATIONS	\$10,845,459,300	\$11,767,539,700	\$922,080,400	8.5%

OVERVIEW

**TABLE 4
AUTHORIZED FULL-TIME EQUATED (FTE) POSITIONS*
FY 2021-22 Enacted Compared with FY 2020-21**

<u>Department/Budget Area</u>	<u>FY 2020-21 YTD as of 2/11/21</u>	<u>FY 2021-22 Enacted</u>	<u>FY 2021-22 vs. FY 2020-21 Difference</u>	
Agriculture and Rural Development	525.0	527.0	2.0	0.4%
Attorney General	543.4	547.4	4.0	0.7%
Capital Outlay	0.0	0.0	0.0	--
Civil Rights	116.0	115.0	(1.0)	(0.9%)
Community Colleges	0.0	0.0	0.0	--
Corrections	13,702.8	13,500.4	(202.4)	(1.5%)
Education	620.5	621.5	1.0	0.2%
Environment, Great Lakes, and Energy	1,424.0	1,467.0	43.0	3.0%
Executive Office	89.2	89.2	0.0	0.0%
Health and Human Services	15,487.0	15,587.5	100.5	0.6%
Higher Education	0.0	0.0	0.0	--
Insurance and Financial Services	378.5	378.5	0.0	0.0%
Judiciary	513.0	524.0	11.0	2.1%
Labor and Economic Opportunity (MSF)	2,579.9	2,588.9	9.0	0.3%
Legislative Auditor General	0.0	0.0	0.0	--
Legislature	0.0	0.0	0.0	--
Licensing and Regulatory Affairs	1,857.9	1,857.9	0.0	0.0%
Military and Veterans Affairs	1,061.5	1,063.5	2.0	0.2%
Natural Resources	2,352.1	2,360.9	8.8	0.4%
School Aid	0.0	0.0	0.0	--
State	1,592.0	1,592.0	0.0	0.0%
State Police	3,599.0	3,695.0	96.0	2.7%
Tech., Mgmt. and Budget: Operations	3,139.0	3,147.0	8.0	0.3%
Tech., Mgmt. and Budget: SBA Rent	0.0	0.0	0.0	--
Transportation	2,824.3	2,942.3	118.0	4.2%
Treasury: Operations	1,934.5	1,934.5	0.0	0.0%
Treasury: Debt Service	0.0	0.0	0.0	--
Treasury: Revenue Sharing	0.0	0.0	0.0	--
TOTAL FTE POSITIONS	54,339.6	54,539.5	199.9	0.4%

* Includes classified, unclassified, and nonlegislative exempt positions. Represents authorized/estimated positions, not necessarily actual positions funded.

TABLE 5
STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS
FY 2021-22 Enacted Appropriations

<u>Department/Budget Area</u>	<u>Spending From State Sources</u>	<u>State Spending to Local Government Units</u>	<u>% of State Spending From State Sources as Payment to Locals</u>
Agriculture and Rural Development	\$141,569,200	\$11,800,000	8.3%
Attorney General	63,446,800	0	0.0%
Civil Rights	14,665,800	0	0.0%
Community Colleges	431,417,000	431,417,000	100.0%
Corrections	2,050,862,800	122,895,500	6.0%
Education	106,293,500	18,327,700	17.2%
Environment, Great Lakes, and Energy	457,925,400	52,646,000	11.5%
Executive Office	7,318,600	0	0.0%
Health and Human Services	8,394,507,100	1,775,502,800	21.2%
Higher Education	1,679,224,800	0	0.0%
Insurance and Financial Services	71,245,900	0	0.0%
Judiciary	303,593,600	148,056,300	48.8%
Labor and Economic Opportunity (MSF)	769,547,300	51,944,500	6.8%
Legislative Auditor General	20,769,400	0	0.0%
Legislature	186,242,200	0	0.0%
Licensing and Regulatory Affairs	443,125,700	169,417,400	38.2%
Military and Veterans Affairs	100,095,500	4,386,500	4.4%
Natural Resources	365,807,800	10,491,100	2.9%
School Aid	14,953,632,200	14,743,857,700	98.6%
State	230,654,200	1,343,800	0.6%
State Police	673,820,600	20,253,300	3.0%
Tech., Mgmt. and Budget: Operations	405,495,100	0	0.0%
Tech., Mgmt. and Budget: SBA Rent	231,570,600	0	0.0%
Transportation	3,702,373,400	2,196,214,200	59.3%
Treasury: Operations	613,738,000	256,634,700	41.8%
Treasury: Debt Service	99,064,000	0	0.0%
Treasury: Revenue Sharing	1,412,735,300	1,412,735,300	100.0%
TOTALS	\$37,930,741,800	\$21,427,923,800	56.5%

FY 2021-22

Budget Detail

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 1)**

Analyst: William E. Hamilton

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
IDG/IDT	\$324,400	\$320,000	(\$4,400)	(1.4)
Federal	13,129,500	13,599,800	470,300	3.6
Local	0	0	0	--
Private	71,300	71,300	0	0.0
Restricted	44,153,000	44,202,300	49,300	0.1
GF/GP	63,616,800	97,366,900	33,750,100	53.1
Gross	\$121,295,000	\$155,560,300	\$34,265,300	28.2
FTEs	525.0	527.0	2.0	0.4

Notes:

(1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.

(2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

Michigan Department of Agriculture and Rural Development (MDARD) key programs and priorities include ensuring food safety and security, protecting animal health and welfare, managing invasive exotic species, regulating pesticide use, certifying agricultural commodities, ensuring environmental stewardship, consumer protection, and promoting the state's agricultural economy.

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
1. Unclassified Salaries	FTE 6.0	0.0
Includes \$617,900 GF/GP for unclassified salaries, an increase of \$18,000 GF/GP.	Gross \$599,900	\$18,000
	GF/GP \$599,900	\$18,000
2. Information Technology	Gross \$2,068,200	\$254,900
Includes \$254,900 Gross (\$210,000 GF/GP) increase for ongoing support and maintenance of licensing and inspection systems.	IDG 3,200	0
	Restricted 205,800	44,900
	GF/GP \$1,859,200	\$210,000
3. Food Safety and Quality Assurance	FTE 103.0	0.0
Retains baseline funding and FTE authorization at FY 2020-21 levels for food safety inspection and regulatory program.	Gross \$18,276,600	\$0
	Federal 2,698,000	0
	Restricted 6,319,800	0
	GF/GP \$9,258,800	\$0
4. Milk Safety and Quality Assurance	FTE 103.0	0.0
Retains baseline funding and FTE authorization at FY 2020-21 levels for dairy inspection and regulatory program.	Gross \$18,276,600	\$0
	Federal 2,698,000	0
	Restricted 6,319,800	0
	GF/GP \$9,258,800	\$0
5. Michigan Animal Agriculture Alliance	Gross \$3,000,000	\$0
Retains funding at \$3.0 million GF/GP for program that supports animal agriculture research grants through Michigan State University.	GF/GP \$3,000,000	\$0

AGRICULTURE AND RURAL DEVELOPMENT

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
6. Local Conservation Districts	Gross	\$0	\$3,000,000
Includes \$3.0 million GF/GP to provide baseline funding for local conservation districts. Of the \$3.0 million, \$2.0 million is shown as ongoing and \$1.0 million as one-time. Related boilerplate in Section 609.	GF/GP	\$0	\$3,000,000
7. Qualified Forest Program	FTE	9.0	0.0
Retains baseline funding and FTE authorization at FY 2020-21 for program that assists owners managing private nonindustrial forestland.	Gross	\$2,662,800	\$0
	Restricted	1,080,100	0
	GF/GP	\$1,582,700	\$0
8. Laboratory Services	Gross	\$17,752,400	\$600,000
Recognizes a \$600,000 federal Health and Human Services (HHS)/Food and Drug Administration multi-year grant to support integrated food safety system. [This grant was recognized in FY 2020-21 through a legislative transfer of \$500,000, approved June 24, 2021. The transfer reflected State Budget Office request, 2021-3.]	IDG	227,800	0
	Federal	2,817,600	600,000
	Restricted	7,389,900	0
	GF/GP	\$7,317,100	\$0
9. Fair Food Network/Double Up Food Bucks	Gross	\$900,000	\$1,100,000
Includes \$1.1 million GF/GP to augment program that increases purchasing power of Michigan residents who receive Supplemental Nutritional Assistance Program (SNAP) benefits. Of the \$2.0 million, \$900,000 is shown as ongoing and \$1.1 million as one-time. Related boilerplate in Section 703.	GF/GP	\$900,000	\$1,100,000
10. Food and Agriculture Investment Grant Program	Gross	\$2,470,600	\$0
Retains FY 2020-21 funding level of \$2.5 million GF/GP for program that provides grants for agri-business development projects.	GF/GP	\$2,470,600	\$0
11. Office of Rural Development	FTE	0.0	1.0
Includes \$175,000 GF/GP and authorizes 1.0 FTE position for staffing and related costs in a new Office of Rural Development.	Gross	\$0	\$175,000
	Restricted	0	0
	GF/GP	\$0	\$175,000
12. County Fairs	Gross	\$500,000	\$1,950,000
Increases baseline funding for county fair grant program by \$2.0 million GF/GP to \$2.5 million GF/GP. Of the \$2.5 million, \$500,000 is shown as ongoing and \$2.0 million as one-time.	GF/GP	\$500,000	\$1,950,000
13. Agricultural Nutrient Best Management Voluntary Practices	FTE	0.0	1.0
Includes \$25.0 million GF/GP for a new voluntary agricultural nutrient best management practices program. Related boilerplate Section 1001 defines the program, targeted for water quality improvement in the western Lake Erie basin. An additional 1.0 FTE position is authorized in the Environmental stewardship/MEAEP line to support this program.	Gross	\$0	\$25,000,000
	GF/GP	\$0	\$25,000,000
14. Agriculture Equine Industry Development Fund (AEIDF)	Gross	\$0	\$3,200,000
Appropriates \$3.2 million GF/GP for deposit into the AEIDF, a state restricted fund established in Section 20 of the Horse Racing Law of 1995. The AEIDF provides purse supplements and various awards to owners and breeders of thoroughbred and standardbred racehorses. Related boilerplate is in Section 1002.	GF/GP	\$0	\$3,200,000
15. Bovine TB Quarantine – Producer Reimbursement	Gross	\$0	\$400,000
Includes \$400,000 GF/GP for a new program to provide financial assistance to livestock producers for costs of maintaining livestock under quarantine. Related boilerplate in Section 1003.	GF/GP	\$0	\$400,000

AGRICULTURE AND RURAL DEVELOPMENT

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
16. Farm Innovation Grant Program	Gross	\$0	\$3,180,000
Includes \$3.2 million GF/GP for a new grant program that supports innovative solutions to real, immediate, and future farm problems. Related boilerplate in Section 1004.	GF/GP	\$0	\$3,180,000
17. Farm Stress	Gross	\$0	\$225,000
Includes \$225,000 GF/GP for new farm stress program. Related boilerplate in Section 1005.	GF/GP	\$0	\$225,000
18. One-Time CREP Funding Removal	Gross	\$4,400,000	(\$4,400,000)
Does not include the \$4.4 million GF/GP one-time appropriation for the Conservation Reserve Enhancement Program (CREP), a targeted environmental protection program.	GF/GP	\$4,400,000	(\$4,400,000)
19. Economic Adjustments	Gross	NA	(\$415,700)
Reflects a net decrease of \$415,700 Gross (\$289,900 GF/GP) in budgeted operating costs as computed by the State Budget Office.	IDG	NA	(1,200)
Budgeted increases for salaries and wages (negotiated 2.0% increase on October 1, 2021 and 1.0% on April 1, 2022), and increases related to actuarially required retirement contributions, worker's compensation, and building occupancy charges, are offset by a reduction in calculated contributions for retiree medical benefits.	Federal	NA	(27,900)
	Restricted	NA	(96,700)
	GF/GP	NA	(\$289,900)

Major Boilerplate Changes from FY 2020-21

Sec. 210. Use of Contingency Fund Transfers – REVISED

Revises section that provides for contingency fund transfers in accordance with the Management and Budget Act to reference contingency "authorization," rather than "fund."

Sec. 215. Communication with the Legislature – RETAINED

Retains section that prohibits department from taking disciplinary action against an employee for communicating with the Legislature. *(Governor's signing letter indicated that this section was unenforceable in that it impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers.)*

Sec. 217. Work Project Limits – RETAINED

Retains section that requires that work project balances be exhausted before expenditure from part 1 appropriations. *(Governor's signing letter indicated that this section was unenforceable in that impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers.)*

Sec. 218. State Administrative Board Transfers – RETAINED

Retains section that provides for the legislature to intertransfer funds within departmental budget if the State Administrative Board transfers funds from an appropriation within this departmental budget. *(Governor's signing letter indicated that this section was unenforceable in that impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers, as well as two sections under Article 4 the Michigan Constitution: Section 22 which requires that all legislation be by bill, and Section 33 which prescribes how bills are enacted into law.)*

Sec. 221. Severance Pay Report – NEW

Includes new reporting requirements related to severance pay paid to department personnel upon the termination of employment.

Sec. 222. Restrictions on Covid-19 Passport – NEW

Includes restrictions on the use of Covid-19 "passports" to document vaccination status.

Sec. 609. Local Conservation Districts – NEW

Includes new language directing that the appropriation for local conservation districts be distributed equally among local conservation districts; includes a reporting requirement.

Major Boilerplate Changes from FY 2020-21

Sec. 610. Farmland/Opens Space Tax Credit Processing – NEW

Includes new language requiring the department to coordinate with the Michigan Department of Treasury to improve timely processing of tax credits under farmland and open space preservation programs.

Sec. 701. Food and Agriculture Investment Grant Program – REVISED

Modifies current section to include the promotion of community based processing facilities with a focus on expanding protein processors.

Sec. 703. Double Up Food Bucks Program – REVISED

Revises section to direct the department to work with the Fair Food Network to ensure that at least 80% of program funds be used as a direct reimbursement of participating vendors. Updates reporting requirements.

Sec. 1001. Agricultural Nutrient Best Management Voluntary Practices Program – NEW

Includes section to define the new program; identifies program goals, including water quality improvement in the western Lake Erie basin; and designates appropriation as work project.

Sec. 1002. Agriculture Equine Industry Development Fund (AEIDF) Appropriation – NEW

Includes language describing the \$3.2 million GF/GP appropriation to the AEIDF; references Section 320 of the Horse Racing Act of 1995.

Sec. 1003. Bovine TB Quarantine – Producer Reimbursement – NEW

Includes language defining costs eligible for reimbursement under a new grant program intended to provide financial assistance to livestock producers for costs of maintaining livestock under quarantine.

Sec. 1004. Farm Innovation Grant Program – NEW

Requires funds appropriated in part 1 for program to support innovate solutions to real, immediate, and future farm problems; establishes eligible grantees; establishes a reporting requirement.

Sec. 1005. Farm Stress Program – NEW

Requires funds appropriated in part 1 for program to be used to respond to the mental stress and fatigue of Michigan farmers and agricultural producers and their families.

FY 2020-21 Supplemental Appropriation Items
Public Act 87 of 2021 (Senate Bill 82, Article 14)

1. Farm Stress Program

Includes \$500,000 in federal CRRSAA funding for a stress assistance program for individuals who are engaged in farming and other agriculture-related occupations.

	Gross	Appropriation Change
	\$500,000	
	Federal	500,000
	GF/GP	\$0

2. Specialty Crop Block Grant Program

Includes \$2.6 million in federal CRRSAA funding to enhance the competitiveness of Michigan specialty crops including fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops.

	Gross	\$2,600,000
	Federal	2,600,000
	GF/GP	\$0

FY 2020-21 Supplemental Boilerplate Items
Public Act 87 of 2021 (Senate Bill 82, Article 14)

Sec. 301. Farm Stress Program

Designates appropriation for the Farm Stress program as a work project appropriation; specifies that the purpose of the appropriation is to establish a stress assistance program for individuals who are engaged in farming and other agriculture-related occupations.

Sec. 302. Specialty Crop Block Grant Program

Designates appropriation for the Specialty Crop Block Grant program as a work project appropriation; specifies that the purpose of the appropriation is to enhance the competitiveness of Michigan specialty crops.

**COMMUNITY COLLEGES
Summary of FY 2021-22 Enacted with Vetoes
Public Act 86 of 2021 (House Bill 4400, Article 2)**

Analyst: Perry Zielak

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
	\$0	\$0	\$0	--
Federal	0	0	0	--
Local	0	0	0	--
Private	0	0	0	--
Restricted	425,667,600	431,417,000	5,749,400	1.4
GF/GP	0	0	0	--
Gross	\$425,667,600	\$431,417,000	\$5,749,400	1.4

Notes:

(1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.

(2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Community Colleges budget, contained in Article II of the compiled School Aid Act, provides funding for operational support of the 28 public community colleges located throughout the state and some retirement costs for employees who participate in the state public school employee retirement system. Community colleges offer a wide variety of educational programs, including traditional two-year transfer programs, associate degrees, career and technical education, developmental and remedial education, continuing education, and baccalaureate programs in a limited number of areas. The colleges are supported primarily through a combination of state aid, local property tax revenue, and tuition and fees.

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
1. Community College Operations Increase	Gross	\$325,440,000	\$3,143,400
Increases community college operations funding by \$3.1 million School Aid Fund (SAF). This includes a one-time \$3.2 million SAF increase to operations grants for community colleges, a 1.0% increase, which would be distributed through the performance funding formula, and a \$93,100 SAF decrease based on FY 2019-20 North American Indian Tuition Waiver program costs reported by institutions. Projected funding increases for individual community colleges would range from 0.3% to 1.6%. Total funding for operations would be \$328.6 million SAF.	Restricted	325,440,000	3,143,400
	GF/GP	\$0	\$0
2. Michigan Public School Employee Retirement System (MPERS) State Share of Unfunded Actuarial Accrued Liability (UAAL) Stabilization Payment	Gross	\$83,900,000	\$3,300,000
Increases funding by \$3.3 million SAF for the state's share of community colleges' UAAL to MPERS, a 3.9% increase, due to changes in payroll growth assumptions. The state's share is the difference between the calculated UAAL contribution to the system and the employer contribution cap of 20.96% of payroll set by the Public School Employees Retirement Act (MCL 38.1341). Total funding for the state share of MPERS would be \$87.2 million SAF.	Restricted	83,900,000	3,300,000
	GF/GP	\$0	\$0
3. MPERS Normal Cost Offset	Gross	\$12,394,000	(\$694,000)
Decreases funding by \$694,000 SAF for the community colleges' normal cost portion, a 5.6% decrease, due to maintaining the current assumed rate of return at 6.8%. Total funding for the MPERS Normal Cost Offset would be \$11.7 million SAF.	Restricted	12,394,000	(694,000)
	GF/GP	\$0	\$0

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
4. Pregnant and Parenting Support Services – VETOED	Gross	\$0
Adds \$500,000 SAF for pregnant and parenting services. Community colleges that establish and operate a pregnant and parenting student services office according to the guidelines found in 2004 PA 500 are eligible for grants to operate the office.	Restricted	0
	GF/GP	\$0

Major Boilerplate Changes from FY 2020-21

Sec. 201e. FY 2020-21 One-Time Operational Support Payment Detail – NEW

Adds language detailing the one-time community college operational support payment for FY 2020-21, which would represent a 4% operations increase and would be distributed across-the-board. The operational support payment fulfills the maintenance of effort requirement for the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Sec. 206. Appropriations Payment Schedule and Reporting Requirements – REVISED

Provides for payment of appropriations in 11 installments per year to community colleges to be paid on the 16th of each month; directs Department of Treasury to withhold appropriations if colleges fail to submit Michigan Community College Data Inventory (MCCDI) data, longitudinal data system data, annual independent audits, tuition and fee information, and degree and certificate award data as required. Adds language stating that payments related to the MPSERS Normal Cost Offset would be distributed in quarterly payments. Revises MCCDI data reporting date to the first business day of November.

Sec. 207a. MPSERS Offset Appropriation – REVISED

Specifies the purpose and allocation method for the MPSERS offset. Funds to be allocated based on prior-year covered payroll and to be used solely for offsetting a portion of the retirement contributions owed by the receiving college. Adds language specifying that the MPSERS Normal Cost offset would be based on reported quarterly payroll for members in the current fiscal year.

Sec. 209. Transparency Website and Various Reporting Requirements – REVISED

Requires colleges to post specified information on their websites, including: annual operating budgets, general fund revenue and expenditure projections, a listing of debt service obligations, collective bargaining agreements, health care benefits plans, audits and financial reports, and information on dual enrollment programs and other opportunities for earning college credit while in high school. Adds requirement that community colleges submit information to the state budget director, who would compile and report the information to the House and Senate appropriation subcommittees on community colleges and the House and Senate fiscal agencies.

Sec. 210b. Community Colleges and Universities Transfer Agreement Reporting – REVISED

Requires the Michigan Community College Association and the Michigan Association of State Universities to submit a progress report on the implementation of the Michigan Transfer Agreement, the development and implementation of transfer pathways, and various other transfer requirements between community colleges and state universities. Revises requirements to add additional focus on improving transfer outcomes and implementing MiTransfer pathways.

Sec. 210g. Bachelor of Science in Nursing Articulation Agreements Reporting – NEW

Adds reporting requirements on a summary of efforts for any community college seeking articulation agreements with universities on a bachelor of science in nursing.

Sec. 210h. Community College COVID-19 Vaccination Exemption Requirement – NEW

Adds language detailing exemptions and reporting requirements that community colleges must provide if a campus mandatory vaccine policy is implemented.

Sec. 220. Auditor General Performance Audits – REVISED

Explicitly authorizes performance audits by the auditor general and requires audited colleges to report audit responses to the legislature, the fiscal agencies, the Auditor General and the state budget director. Adds statutory and constitutional references that refers to authorization of audits.

COMMUNITY COLLEGES

Major Boilerplate Changes from FY 2020-21

Sec. 226b. 2020-21 Academic Year and COVID-19 Reporting Requirements – REVISED

Requires community colleges to report various enrollment and student residential data for the 2020-21 academic year by September 30, 2021 and report information related to online and COVID-19 fees, along with COVID-19 mitigation strategies and related data, by November 1, 2020. Deletes prior language and adds a reporting requirement on all federal funding received related to the COVID-19 pandemic and requires report to be posted on a public website.

Sec. 226d. Free and Open Speech Policies Reporting Requirement – REVISED

Requires community colleges to report on activities related to strategic planning or assessment of policies that provide for open and free speech while protecting students from hate speech and discrimination. Adds notation that section is legislative intent language.

Sec. 226f. Pregnant and Parenting Student Services Office Requirements – NEW (VETOED)

Adds language establishing the requirements of a pregnant and parenting student services office. If a community college establishes an office, a report must be submitted by December 1, 2022 detailing expenditures, a performance evaluation and the number of students served. *Governor vetoed section because it was considered tied to Sec. 201(7), the line funding the pregnant and parenting student services program that was also vetoed.*

Sec. 226g. Campus Advocacy Policy – NEW

Adds legislative intent language that community colleges adopt advocacy policies for distribution and demonstrations around first amendment activities and political speech.

Sec. 230. Performance Formula Detail and Local Strategic Value Categories – REVISED

States the formula by which the amount available for performance funding (which is the amount of the annual increase in funding for community college operations) is allocated: 30% proportionate to prior-year base appropriations, 30% based on contact-hour-equated students weighted for health and technology/industrial fields, 10% based on performance completion improvement, 10% based on performance completion number, 10% based on performance completion rate, 5% based on administrative costs, 5% based on meeting certain requirements reflective of providing strategic value to the local community. Lists requirements for the local strategic value categories. States that community colleges must participate and submit semi-annual updates to the Michigan Transfer Network to receive performance funding payments. Revises to updates dates.

FY 2020-21 Supplemental Appropriation Items

1. Community College Operations Payment for Maintenance of Effort (MOE) Requirement

Includes \$12.7 million SAF for community college operations grant funding. The funding restores reductions made to operations grants in FY 2019-20, which would meet the MOE requirements in the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

	Appropriation Change
Gross	\$12,696,000
Restricted	12,696,000
GF/GP	\$0

FY 2021-22 Community College Operations Appropriations
Enacted Summary

FY 2020-21		FY 2020-21		30%	10%	10%	10%	30%	5%	5%	Total One-Time	Indian	*Total	FY 2021-22	%
Indian Tuition Waiver Payment	Base Appropriation	Sustainability	Performance-Improvement	Performance-Completion Number	Performance-Completion Rate	Contact Hours	Administrative	Contact Hours	Administrative	Local Strategic Value	Performance Funding	Tuition Waiver Adjustments	Indian Tuition Waiver Payment	Appropriation	Change
Alpena	\$14,200	\$5,753,300	\$17,260	\$6,098	\$3,728	\$8,237	\$8,831	\$6,360	\$2,877	\$2,877	\$53,400	9,700	\$23,900	\$5,830,600	1.1%
Bay de Noc	116,700	5,602,800	16,808	10,583	3,983	8,058	10,143	5,600	2,801	2,801	58,000	(5,100)	111,600	5,772,400	0.9%
Delta	47,700	15,160,500	45,481	13,265	13,249	15,581	42,214	6,029	7,580	7,580	143,400	12,400	60,100	15,364,000	1.0%
Glen Oaks	0	2,651,200	7,953	8,658	1,723	5,720	7,159	772	1,326	1,326	33,300	0	0	2,684,500	1.3%
Gogebic	49,600	4,873,700	14,621	3,899	2,158	8,151	6,158	4,933	2,437	2,437	42,400	2,400	52,000	4,968,100	0.9%
Grand Rapids	233,900	18,773,100	56,319	18,773	21,218	18,509	90,433	6,884	9,386	9,386	221,500	(35,300)	198,600	19,193,200	1.0%
Henry Ford	24,500	22,533,100	67,598	18,026	15,526	18,026	68,372	6,992	11,266	11,266	205,800	(9,500)	15,000	22,753,900	0.9%
Jackson	58,000	12,756,200	38,268	12,337	8,577	10,205	27,713	6,445	6,378	6,378	109,900	(11,800)	46,200	12,912,300	0.8%
Kalamazoo Valley	63,800	13,099,900	39,299	14,730	10,996	13,837	41,668	7,271	6,550	6,550	134,400	22,300	86,100	13,320,400	1.2%
Kellogg	61,600	10,267,100	30,801	11,410	9,365	11,762	25,273	7,017	5,133	5,133	100,800	(10,300)	51,300	10,419,200	0.9%
Kirtland	36,400	3,358,400	10,075	6,439	3,259	2,687	9,445	5,529	1,679	1,679	39,100	(29,900)	6,500	3,404,000	0.3%
Lake Michigan	8,600	5,702,700	17,108	4,562	4,774	4,562	15,338	3,210	2,851	2,851	52,400	4,500	13,100	5,768,200	1.0%
Lansing	158,000	32,852,000	98,555	29,400	27,752	29,800	72,160	6,467	16,426	16,426	280,600	(35,300)	122,700	33,255,300	0.7%
Macomb	43,400	34,276,100	102,827	27,421	30,151	31,025	114,684	7,022	17,138	17,138	330,300	(20,100)	23,300	34,629,700	0.9%
Mid-Michigan	124,800	5,184,400	15,553	4,147	5,308	7,494	18,486	4,621	2,592	2,592	58,000	29,100	153,900	5,396,300	1.6%
Monroe County	500	4,746,200	14,238	5,599	4,482	3,797	14,466	6,264	2,373	2,373	51,200	200	700	4,798,100	1.1%
Montcalm	7,100	3,570,600	10,712	4,614	3,860	2,856	7,510	5,903	1,785	1,785	37,200	(2,300)	4,800	3,612,600	1.0%
Mott	24,000	16,440,000	49,319	13,152	14,802	13,152	37,649	6,199	8,220	8,220	142,500	17,000	41,000	16,623,500	1.0%
Muskegon	73,900	9,289,100	27,867	7,431	6,623	10,953	20,776	6,767	4,644	4,644	85,100	(16,400)	57,500	9,431,700	0.7%
North Central	173,400	3,389,300	10,168	4,477	3,605	6,108	10,097	6,060	1,695	1,695	42,200	7,800	181,200	3,612,700	1.4%
Northwestern	276,000	9,567,100	28,701	9,795	7,024	11,324	21,188	5,757	4,783	4,783	88,600	(24,800)	251,200	9,906,900	0.6%
Oakland	35,100	22,211,700	66,634	21,522	29,523	21,311	83,529	6,405	11,106	11,106	240,000	(1,600)	33,500	22,485,200	1.1%
Schoolcraft	40,300	13,196,200	39,588	10,557	17,198	14,039	56,624	7,139	6,598	6,598	151,700	(1,500)	38,800	13,386,700	1.1%
Southwestern	37,200	6,979,400	20,938	16,150	4,768	5,583	12,772	4,709	3,490	3,490	68,400	(3,100)	34,100	7,081,900	0.9%
St. Clair County	3,400	7,385,200	22,155	6,409	8,444	9,837	22,470	5,349	3,693	3,693	78,400	11,700	15,100	7,478,700	1.2%
Washtenaw	32,300	13,855,900	41,567	11,085	39,802	14,892	68,438	6,660	6,928	6,928	189,400	3,000	35,300	14,080,600	1.4%
Wayne County	14,900	17,593,400	52,780	21,012	19,651	14,075	51,808	5,554	8,797	8,797	173,700	100	15,000	17,782,100	1.0%
West Shore	26,500	2,585,600	7,757	2,099	2,103	2,068	5,544	3,908	1,293	1,293	24,800	(6,300)	20,200	2,630,600	0.7%
	\$1,785,800	\$323,654,200	\$970,950	\$323,650	\$323,650	\$323,650	\$970,950	\$161,825	\$161,825	\$161,825	\$3,236,500	(\$93,100)	\$1,692,700	\$328,583,400	1.0%

Data Notes		
Component	Source	Years
Performance improvement	CEPI	FYs 2017-2019
Performance completion number	Federal IPEDS	FYs 2017-2019
Performance completion rate	CEPI	FYs 2017-2019
Contact hours	State MCCDI	FY 2020
Administrative	State MCCDI	FYs 2019-2020

COMMUNITY COLLEGES**FY 2021-22 Community College Revised Operations Appropriations
Enacted Summary**

	FY 2020-21 Indian Tuition Waiver Payment	FY 2020-21 Base Appropriation	Allocation from Sec. 201e	Revised Total FY 2020-21 Appropriation	% Change	Change From Original FY 2020-21 Total
Alpena	\$14,200	\$5,753,300	\$225,700	\$5,979,000	3.9%	\$225,700
Bay de Noc	116,700	5,602,800	219,800	5,822,600	3.9%	219,800
Delta	47,700	15,160,500	594,700	15,755,200	3.9%	594,700
Glen Oaks	0	2,651,200	104,000	2,755,200	3.9%	104,000
Gogebic	49,600	4,873,700	191,100	5,064,800	3.9%	191,100
Grand Rapids	233,900	18,773,100	736,400	19,509,500	3.9%	736,400
Henry Ford	24,500	22,533,100	883,900	23,417,000	3.9%	883,900
Jackson	58,000	12,756,200	500,400	13,256,600	3.9%	500,400
Kalamazoo Valley	63,800	13,099,900	513,900	13,613,800	3.9%	513,900
Kellogg	61,600	10,267,100	402,700	10,669,800	3.9%	402,700
Kirtland	36,400	3,358,400	131,700	3,490,100	3.9%	131,700
Lake Michigan	8,600	5,702,700	223,700	5,926,400	3.9%	223,700
Lansing	158,000	32,852,000	1,288,700	34,140,700	3.9%	1,288,700
Macomb	43,400	34,276,100	1,344,500	35,620,600	3.9%	1,344,500
Mid-Michigan	124,800	5,184,400	203,400	5,387,800	3.9%	203,400
Monroe County	500	4,746,200	186,200	4,932,400	3.9%	186,200
Montcalm	7,100	3,570,600	140,100	3,710,700	3.9%	140,100
Mott	24,000	16,440,000	644,900	17,084,900	3.9%	644,900
Muskegon	73,900	9,289,100	364,400	9,653,500	3.9%	364,400
North Central	173,400	3,389,300	133,000	3,522,300	3.9%	133,000
Northwestern	276,000	9,567,100	375,300	9,942,400	3.9%	375,300
Oakland	35,100	22,211,700	871,300	23,083,000	3.9%	871,300
Schoolcraft	40,300	13,196,200	517,700	13,713,900	3.9%	517,700
Southwestern	37,200	6,979,400	273,800	7,253,200	3.9%	273,800
St. Clair County	3,400	7,385,200	289,700	7,674,900	3.9%	289,700
Washtenaw	32,300	13,855,900	543,500	14,399,400	3.9%	543,500
Wayne County	14,900	17,593,400	690,100	18,283,500	3.9%	690,100
West Shore	26,500	2,585,600	101,400	2,687,000	3.9%	101,400
	\$1,785,800	\$323,654,200	\$12,696,000	\$336,350,200	3.9%	12,696,000

DEPARTMENT OF CORRECTIONS
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 2)

Analyst: Robin R. Risko

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
	\$0	\$0	\$0	--
Federal	196,370,900	5,364,100	(191,006,800)	(97.3)
Local	9,680,600	9,646,100	(34,500)	(0.4)
Private	0	0	0	--
Restricted	45,478,500	45,493,400	14,900	0.0
GF/GP	1,809,258,400	2,005,369,400	196,111,000	10.8
Gross	\$2,060,788,400	\$2,065,873,000	\$5,084,600	0.2
FTEs	13,702.8	13,500.4	(202.4)	(1.5)

Notes:

- (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.
(2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Michigan Department of Corrections (MDOC) is responsible for operation and maintenance of the state's 28 correctional facilities that house felony offenders sentenced to prison. This includes provision of physical and mental health care, education, food service, transportation, and reintegration programming. The department is also responsible for supervision of all parolees and probationers under the department's jurisdiction and has oversight over community corrections programs and other programs designed to encourage alternatives to prison placement for appropriate offenders. As of October 1, 2021, the department was responsible for 74,750 offenders: 32,477 prisoners; 31,248 probationers; and 11,025 parolees. From 1 year ago, the total number of offenders decreased by 8,887, or by 10.6%. The number of prisoners decreased by 1,876, or 5.5%. The number of probationers decreased by 4,800, or 13.3%. The number of parolees decreased by 2,211, or 16.7%.

Major Budget Changes from FY 2020-21 YTD Appropriations**1. Restore GF for Payroll for Frontline Workers – Fund Shift**

Restores \$191.0 million GF/GP that was reduced from the FY 2020-21 budget and replaced with federal Coronavirus Relief Fund revenue. Federal funding was allocated to support payroll costs for frontline workers throughout the department, but primarily at correctional facilities. Federal funding has been exhausted and GF/GP needs to be restored for ongoing departmental payroll costs.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Gross	\$0	\$0
Federal	191,000,000	(191,000,000)
GF/GP	(\$191,000,000)	\$191,000,000

2. John and Jane Does v Department of Corrections Settlement

Includes \$25.0 million GF/GP to support the second to last payment of the *John and Jane Does v Department of Corrections* settlement agreement. The payment will be made on October 15, 2021. One remaining payment of \$15.0 million will be due on October 15, 2022. The case involved approximately 1,300 members that were incarcerated October 2010 through the date of the settlement, March 2020. The lawsuits claimed a variety of injuries including sexual assault and harassment, inappropriate use of segregation, and deprivation of educational and rehabilitative experiences due to the young age of the members. The case settled for \$80.0 million total inclusive of attorney fees and costs.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Gross	NA	\$25,000,000
GF/GP	NA	\$25,000,000

CORRECTIONS

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>	<u>FY 2020-21 Year-to-Date (as of 2/11/21)</u>	<u>FY 2021-22 Enacted Change</u>
<p>3. Training for New Custody Staff Includes \$7.4 million GF/GP to train additional corrections officers in an effort to reduce the number of vacant positions and meet projected attrition needs. Funding supports salary and payroll costs of new officers while they participate in training, as well as costs for uniforms, training materials, certifications, food, travel, and lodging. In FY 2019-20, an average of 52 custody staff left the department each month. With \$7.4 million added to the FY 2020-21 base of \$13.9 million, and with expenditure of carried forward work project account funding from prior years, the department will be able to train an estimated 800 new officers in FY 2021-22.</p>	<p>Gross \$13,850,100 GF/GP \$13,850,100</p>	<p>\$7,373,700 \$7,373,700</p>
<p>4. Chance for Life Includes \$1.5 million in one-time GF/GP for the Chance for Life program which is an evidence-based mentoring program for prisoners nearing their parole date. The program emphasizes job training, life skills, and family reintegration and focuses on preparing prisoners for a successful transition back into the community.</p>	<p>Gross NA GF/GP NA</p>	<p>\$1,500,000 \$1,500,000</p>
<p>5. Employee Wellness Programming Includes \$809,400 GF/GP to support additional employee wellness resources and support services for department employees.</p>	<p>Gross \$1,190,600 GF/GP \$1,190,600</p>	<p>\$809,400 \$809,400</p>
<p>6. Prosperity Region 8 Pilot Program Includes \$300,000 in one-time GF/GP for a pilot program to provide care management post-release which may include the development of prerelease mental health discharge plans for parolees in Prosperity Region 8.</p>	<p>Gross NA GF/GP NA</p>	<p>\$300,000 \$300,000</p>
<p>7. Goodwill Flip the Script Includes an additional \$250,000 in one-time GF/GP for the Goodwill Flip the Script program. Funding for the program was first included in the FY 2014-15 budget for Goodwill Industries of Greater Detroit in Wayne County to provide education, job training, and mentoring to troubled 16-39 year-olds. Participants of the program have entered into the criminal justice system for a first or second time, and the program is focused on keeping them out of prison.</p>	<p>Gross \$1,250,000 GF/GP \$1,250,000</p>	<p>\$250,000 \$250,000</p>
<p>8. Transportation Costs for Prison Industries Includes an additional \$72,000 in state restricted funding authorization for Prison Industries Operations to cover increased transportation costs resulting from moving more MSI-made goods sold to correctional facilities.</p>	<p>Gross NA Restricted NA GF/GP NA</p>	<p>\$72,000 72,000 \$0</p>
<p>9. Savings from Closure of the Detroit Reentry Center Reflects a net reduction of \$10.5 million GF/GP and 202.4 FTE positions resulting from closure of the Detroit Reentry Center on January 9, 2021. The savings amount is the net amount that results from reduced costs for operations and administration at the center, a shift of funding for the prisoner dialysis unit that was transferred to the Woodland Correctional Facility, and a shift of funding for the parole violators who were transferred to the Macomb Correctional Facility.</p>	<p>FTE 202.4 Gross \$10,523,600 GF/GP \$10,523,600</p>	<p>(202.4) (\$10,523,600) (\$10,523,600)</p>
<p>10. Technical Adjustments Makes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall Gross or GF/GP impact. Adjustments are made to more accurately reflect employee counts and where expenditures occur.</p>	<p>Gross NA GF/GP NA</p>	<p>\$0 \$0</p>

CORRECTIONS

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
11. Eliminate Current Year One-Time Funding	Gross	\$15,000,000	(\$15,000,000)
Reduces the budget by \$15.0 million GF/GP to reflect elimination of one-time funding included in the FY 2020-21 budget. Eliminated funding was for the third payment of the <i>John and Jane Does v Department of Corrections</i> settlement agreement.	GF/GP	\$15,000,000	(\$15,000,000)
12. Economic Adjustments	Gross	NA	(\$4,696,900)
Reflects a net reduction of \$4.7 million Gross (\$4.6 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	(6,800)
	Local	NA	(34,500)
	Restricted	NA	(57,100)
	GF/GP	NA	(\$4,598,500)

Major Boilerplate Changes from FY 2020-21

GENERAL SECTIONS

Sec. 206. Disciplinary Action Against State Employees and Prisoners – RETAINED (UNENFORCEABLE)

Prohibits MDOC from taking disciplinary action against classified civil service employees or prisoners for communicating with legislators or their staff unless the communication is prohibited by law and MDOC is exercising its authority. (*Governor's signing letter states this section is unenforceable.*)

Sec. 210. Contingency Funding – REVISED

Appropriates up to \$2.5 million in federal contingency funds; authorizes expenditure of funds after legislative transfer to specific line items. Revised to refer to contingency "funds" as contingency "authorization" instead.

Sec. 216. FTE Positions, Long-Term Vacancies, and Remote Work – REVISED

Requires MDOC to report quarterly on the number of FTE positions in pay status by civil service classification, including an accounting of all vacant positions, all vacant and filled corrections officer positions by facility, all vacant healthcare-related positions, and all vacant positions being held open for temporarily non-active employees; requires a report on the number of full-time positions authorized compared to the actual number employed by line item, number of employees authorized to work remotely and number of employees working remotely, estimated cost savings achieved by remote work, and reduced use of office space associated with remote work. Revised reporting date from April 1 to March 1.

Sec. 217. Coronavirus Relief Fund Appropriations – DELETED

Unappropriates any Coronavirus Relief Fund appropriations for which expenditures have not been incurred as of December 30 and reappropriates them for deposit into the Unemployment Compensation Fund to support costs incurred due to the COVID-19 pandemic.

Sec. 218. State Administrative Board Transfers – RETAINED (UNENFORCEABLE)

Authorizes the legislature, by a concurrent resolution adopted by a majority of members elected to and serving in each house, to inter-transfer funds if the State Administrative Board transfers funds. (*Governor's signing letter states this section is unenforceable.*)

Sec. 219. Prison Telephone Contract and Program and Special Equipment Fund – REVISED

Requires prisoner telephone service contract to contain a condition that prisoner telephone fees be the same as those applying outside of institutions, except for surcharges needed to meet program and special equipment costs; requires revenue from surcharges to be used for prisoner programming, special equipment, and security projects; authorizes carry forward of unexpended revenue; requires a report on revenues and expenditures. Revised to require not less than 75% of surcharge revenue to be used for prisoner programming.

Sec. 223. Severance Pay for Department Officials – NEW

Requires MDOC to report on any amounts of severance pay agreed to for a department director, deputy director, or other high-ranking department official; requires report to include name of the official and amount of severance pay; requires MDOC to maintain an internet site that posts any severance pay in excess of 6 weeks of wages for any former department employee receiving severance pay; requires report on total amount of severance pay remitted and total number of former employees that were remitted severance pay during the prior fiscal year; defines severance pay.

CORRECTIONS

Major Boilerplate Changes from FY 2020-21

Sec. 224. COVID-19 Vaccine Protocol – NEW

Prohibits any department, agency, board, commission, or public officer that receives funding from the bill from doing the following: requiring an individual to provide proof of receiving a COVID-19 vaccine as a condition of accessing state services or facilities, except as provided by federal law or as a condition of receiving federal Medicare or Medicaid funding; producing, developing, or issuing a COVID-19 vaccine passport; developing a database or making any existing database publicly available to access an individual's COVID-19 vaccine status by any person, company, or governmental entity; requiring as a condition of employment that an employee or official provide proof that he or she has received a COVID-19 vaccine; and subjecting any individual to negative employment consequences, retaliation, or retribution because of their vaccine status. The language does not prohibit transmitting proof of vaccine status if the individual provides affirmative consent and requires exemptions be provided to the following individuals if a vaccine policy is required due to a federal mandate: individual for who a physician certifies that a vaccine is or may be detrimental to the individual's health and an individual who provides a written statement to the effect that the requirements of the vaccine policy cannot be met because of religious convictions or other consistently held objections to immunization.

Sec. 225. Expending Available Work Project Authorization – RETAINED (UNENFORCEABLE)

Prohibits appropriations that have unexpended work project authorization associated with them, to the extent possible, from being expended until all existing work project authorization for the same purpose is exhausted. *(Governor's signing letter states this section is unenforceable.)*

Sec. 248. Consensus Revenue Estimating Conference (CREC) – DELETED

Requires the Senate and House Fiscal Agencies and the State Budget Director, or the State Treasurer, to establish a projected prisoner population, and a projected number of available beds based on prisoner population, at the May 2021 CREC.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 302. Staff Retention Strategies – REVISED

Requires MDOC to report on staff retention strategies, including how to improve employee engagement, how to improve employee wellness, how to offer additional training and professional development, metrics used by MDOC to measure success of employee wellness programming, mechanisms by which to receive employee feedback, how MDOC considers suggestions made by employees, and steps taken and future plans made for retention and improving employee wellness; requires MDOC to establish a Staff Recruitment and Retention Advisory Board to assist the department with shaping and enhancing effectiveness of staff recruiting and retention strategies; requires a status report on establishing the Staff Recruitment and Retention Advisory Board and on the board's initial plans. Revised to delete requirement to establish an advisory board.

Sec. 304. Staff Suggestions – REVISED (UNENFORCEABLE)

Requires MDOC to maintain a staff savings initiative program for employees to submit suggestions for efficiencies for the department; requires MDOC to consider suggestions in a timely manner; requires a report on process improvements made based on suggestions. Revised to require the department to reward employees whose suggestions are implemented with noncompensatory recognition for their efforts. *(Governor's signing letter states this section is unenforceable.)*

Sec. 309. Maintenance and Utility Costs at Facilities – REVISED

Requires MDOC to report on maintenance and utility costs and plans for capital improvement costs for each correctional facility; for facilities closed prior to November 1, 2018, requires a list of costs associated with maintenance and upkeep of closed facilities, by facility, and estimated costs of demolition of closed facilities. Revised to delete requirement of a list of costs associated with maintenance and upkeep of closed facilities, by facility, and estimated costs of demolition of closed facilities for facilities closed prior to November 1, 2018.

Sec. 310. Strategic Plan Reporting – REVISED

Requires MDOC to report on progress made in achieving the strategic plan of the department, updates on strategic plan objectives, key statistics and information about the department's efforts to decrease the recidivism rate and to promote offender success. Revised to add that reports and studies related to the effectiveness of departmental programming created as part of a strategic plan objective be provided by the department.

Major Boilerplate Changes from FY 2020-21

Sec. 312. PTSD Outreach and Employee Wellness – REVISED

Requires appropriation to be used for PTSD outreach, treating mental health issues, and providing mental health programming for all department staff; requires \$50,000 to be used for conducting a comprehensive follow-up study to the initial study conducted in FY 2018-19; requires MDOC to report on results of the study and on programs established, level of employee involvement, and expenditures made for employee wellness programming. Revised to delete the requirement that \$50,000 be used for conducting a follow-up study, delete reporting on results of the follow-up study, require that funds also be used for treating mental health issues and for providing mental health programming for all department staff and former employees, and include peer support programs as part of employee wellness programming. (Consolidates revised section 312 with new section 312 below.)

Sec. 312. Employee Wellness – NEW

Requires MDOC to maintain employee wellness programming, including programming focused on post-traumatic stress disorder outreach. (Includes new language consolidated with current section 312 above.)

Sec. 314. Staff Overtime Hours – REVISED

Requires MDOC to report monthly on the number of overtime hours worked by all custody staff, by facility, including the number of mandatory overtime hours worked, number of voluntary overtime hours worked, reasons for overtime hours worked, and average number of overtime hours worked by active employees. Revised monthly reporting to quarterly reporting.

Sec. 315. 12-Hour Shifts for Corrections Officers – DELETED

Requires MDOC to conduct a survey of corrections officers at all facilities on whether officers want to have 12-hour shifts implemented; requires MDOC to report on results of the survey.

Sec. 315. Data Sharing – NEW

Authorizes MDOC to establish agreements and exchange offender data with local, state, and federal agencies, law enforcement, and community providers in an effort to improve offender success, reduce recidivism risk, and enhance public safety.

Sec. 316. New Custody Staff Training – REVISED (UNENFORCEABLE)

Requires MDOC to target new custody staff training at hiring a minimum of 700 corrections officers to address higher than normal attrition and to decrease overtime costs. Revised 700 to 800. (*Governor's signing letter states this section is unenforceable.*)

Sec. 317. New Corrections Officer Training Academy – DELETED

Requires MDOC to report on the status of the new training academy, including a listing of all structures and amenities on-site and expenditure data associated with structures and amenities on-site; lists all amenities the legislature intends for the new academy to have; requires a report on the projected cost of amenities that are listed but not included on-site; requires MDOC to name the facility and to solicit site name ideas from staff.

Sec. 317. New Corrections Officer Training Academy – NEW

Requires MDOC to submit a status report on January 30 and June 30, 2022 that gives an appropriations history for the new corrections officer training academy project, anticipated costs of the project by construction phase, summary of actual expenditures made for the project, and any other information the department considers necessary.

OFFENDER SUCCESS ADMINISTRATION

Sec. 402. Offender Success Expenditures – REVISED

Requires MDOC to report on actual prior-year and planned current-year offender success expenditures and allocations. Revised to authorize the department to collect cash or in-kind donations to supplement funds for prison education training, supplies, and materials necessary to complete academic- and job skills-related programs.

Sec. 405. Substance Abuse Testing and Treatment – REVISED

Requires MDOC to report on expenditures for substance abuse testing and treatment services, program objectives, outcome measures, and results, including the impact on offender and programmatic success. Revised to strike report on expenditures, objectives, outcome measures, and results, and require a report on number of prisoners receiving medication assisted therapies, length of time on therapies, and number of prisoners discontinuing treatment while incarcerated.

CORRECTIONS

Major Boilerplate Changes from FY 2020-21

Sec. 406. Wastewater Operator Certification Program – NEW

Requires MDOC to conduct a study, in consultation with the Department of Environment, Great Lakes, and Energy (DEGLE), to determine the feasibility of including prisoners nearing their earliest release dates in the Wastewater Operator Certification program administered by DEGLE; requires a report on the feasibility of training and certifying prisoners to become water, drinking water, wastewater, and stormwater operators; if determined to not be feasible, requires a report on the reasons for infeasibility.

Sec. 408. Recidivism Measurement – REVISED

Requires MDOC to measure recidivism rates of offenders. Revised to require MDOC to measure the reincarceration recidivism rates of offenders based on available data.

Sec. 409. Workforce Development Program – REVISED

Requires MDOC to work with the Department of Labor and Economic Opportunity and local entities to design services and offender success vocational education programs for prisoners in an effort to encourage employment of prisoners upon release from prison; requires a report on the results of the workforce development program. Revised to require MDOC to ensure that the program provides relevant professional development opportunities to prisoners that are high quality, demand driven, locally receptive, and responsive to the needs of the communities where prisoners are expected to reside upon release from prison; revised reporting requirement.

Sec. 410. Community Corrections Comprehensive Plans and Services – REVISED

Specifies purpose of and requirements for community corrections comprehensive plans (e.g., reduce admissions to prisons, improve utilization of jail facilities, contribute to offender success); lists award criteria for community corrections planning and residential services funds (e.g., trends in prison commitment rates, jail utilization, community corrections program capacity and utilization; impact and outcome of policies and procedures of programs on offender success); limits residential services per diem reimbursement rate to \$55.50; lists allowable uses of program funding for Drunk Driver Jail Reduction and Community Treatment Program (e.g., reimbursing counties for transportation, treatment costs, housing felony drunk drivers during period of assessment for treatment and case planning); provides for reimbursement for housing at a rate of \$43.50 per day per offender for up to five days. Revised to delete purpose of and requirements for community corrections comprehensive plans and listing of award criteria for community corrections planning and residential services funds.

Sec. 411. Comprehensive Corrections Plans – DELETED

Establishes further requirements for comprehensive corrections plans, such as information on sanctions and services available and utilized, local communities' plans to respond to sentencing guidelines, and strategies to collaborate with state and local alcohol and drug treatment agencies.

Sec. 413. Public Safety Initiative – REVISED

Requires law enforcement agencies receiving funding to report annually on expenditures made from the appropriation; requires a report that includes the purpose for which expenditures were made, amounts of expenditures by purpose, specific services provided, and number of individuals served; authorizes Senate and House Subcommittees on Corrections to request law enforcement agencies to appear before subcommittees to discuss the report. Revised reporting requirement from annually to quarterly.

Sec. 414(7). County Jail Cooperation with Federal Officials on Immigration Status of Individuals – DELETED

Prohibits eligibility for reimbursement from the state for housing offenders who otherwise would be sentenced to prison if a county enacts or enforces laws, ordinances, policies, or rules that limit or prohibit communication and cooperation with federal officials concerning the immigration status of individuals in the state.

Sec. 417. Reports on Community Programs – REVISED

Requires MDOC to report on program objectives and outcome measures, the number of offenders completing programs, number of offenders successfully remaining in the community 3 years following completion, expenditures, impact on jail utilization, impact on prison admission, and other relevant information on the Drunk Driver Jail Reduction and Community Treatment Program and on any new initiatives aimed at controlling prison population growth. Revised to delete specific reference to the Drunk Driver Jail Reduction and Community Treatment Program.

Major Boilerplate Changes from FY 2020-21

Sec. 419. Offender Data Reports – REVISED

Requires MDOC to provide weekly electronic mail reports on prisoner populations by security level by facility, prison facility capacities, and parolee and probationer populations; requires MDOC to provide monthly electronic mail reports on end-of-the month prisoner, probationer, and parolee populations, operating capacities at facilities, number of currently closed housing units by facility, populations in county jails, prisoner intakes, returns, and exits, prisoners classified as past their earliest release dates, and parole board activity. Revised to change weekly reporting to monthly reporting, to require MDOC to provide notification immediately upon knowing it will not meet reporting requirements included in the section, and to require MDOC to specify in the notice the reasons for not meeting the reporting requirements included in the section.

Sec. 424. Enhanced Food Technology Program – NEW

Requires MDOC to maintain the Enhanced Food Technology program that provides on-the-job training in prison kitchens that will lead to food service training credentials recognized by the restaurant industry.

FIELD OPERATIONS ADMINISTRATION

Sec. 602. Electronic Monitoring Contracts – DELETED

Expresses intent of the legislature that MDOC not extend any contracts for electronic monitoring devices, and that a complete review of all providers and technology be conducted to determine efficacy.

Sec. 603. Curfew Monitoring Program Costs – REVISED

Requires MDOC to administer curfew monitoring program intended to reduce prison admissions and improve jail utilization; requires MDOC to provide counties with curfew monitoring equipment and administrative oversight for a fee; prohibits access to program for counties with outstanding charges over 60 days. Revised language to coincide with recently enacted legislation.

Sec. 604. Criminal Justice Reinvestment – REVISED

Requires funding for criminal justice reinvestment to be used for data collection and evidence-based programs designed to reduce recidivism among probationers and parolees; allocates \$600,000 to an organization that provides programming and job training services to county jail inmates to prepare them for employment upon release from jail. Revised to include requirement that department report on programs, including reincarceration recidivism rates of participants, employment rates, participants completing the program, and cost of program per participant.

Sec. 605. Chance for Life Program – DELETED

Requires MDOC to allocate \$250,000 to issue a request for proposal for a vendor to provide evidence-based mentoring, employment soft skills training, and job placement assistance for offenders released from prison.

Sec. 613. Placement of Parolees with Chronic Technical Violations – DELETED

Requires MDOC to give priority to placing parolees with chronic technical violations in intensive detention programs that offer specific programming to address behavioral needs and to work on a plan to help assure success of parolees upon release.

Sec. 615. Inmates Sentenced to Life with Possibility of Parole – REVISED

Requires MDOC to report on the number of prisoners who have received life sentences with the possibility of parole and who are currently eligible for parole; lists specific prisoner-related information to be included in the report. Revised to delete list of specific prisoner-related information from being included in report.

HEALTH CARE

Sec. 807. Hepatitis C – REVISED

Requires funding for Hepatitis C to be used for purchase of specialty medication for treatment of Hepatitis C; requires report on amount spent on specialty medication, number of prisoners treated, amount of rebates received, and outstanding rebates expected to be received. Revised to include requirement that MDOC report on number of offenders requiring treatment broken down by number that have been retreated while incarcerated and number that have been treated, released, and retreated upon reincarceration.

CORRECTIONAL FACILITIES ADMINISTRATION

Sec. 901. Enhanced Food Technology Program – DELETED

Requires MDOC to expand the enhanced food technology education program to at least 700 inmates annually; requires inmates participating in the program to complete 408 hours of on-the-job training in a prison kitchen.

CORRECTIONS

Major Boilerplate Changes from FY 2020-21

Sec. 908. Online High School Diploma and Career Certificate Program – DELETED

Authorizes MDOC to establish a pilot online high school diploma and career certificate program to serve up to 400 inmates through a provider that offers career-based online high school diplomas designed to prepare adult inmates for transition into the workplace.

Sec. 910. Braille Program – REVISED

Requires MDOC to allow Michigan Braille Transcribing Fund program to operate at G. Robert Cotton and Womens Huron Valley Correctional Facilities. Revised to delete references to specific locations.

Sec. 911. Critical Incidents in Prisons – REVISED

Requires MDOC to report annually on the number of critical incidents occurring each month by type, number, and severity of assaults, escape attempts, suicides, and attempted suicides at each prison facility. Revised to include requirement that MDOC give 72 hour notice of incidents, and defines “critical incidents” to mean prisoner assaults on staff that result in serious physical injury to staff, escapes and attempted escapes, prisoner disturbances that cause facility operation concerns, and unexpected deaths of prisoners.

Sec. 913. Enrollment in and Completion of Various Programming – REVISED

Expresses legislative intent that prisoners who are required to complete sex offender, assaultive offender, violent offender, and Thinking for Change programming as a condition of parole be transferred to facilities where programming is available; requires MDOC to report on enrollment and completion of sex offender, assaultive offender, violent offender, and Thinking for Change programming, and on plans to address waiting lists for these programs. Revised to delete legislative intent language and to include that MDOC, to the extent feasible, consistently provide prisoner programming with the goal of having prisoners complete recommended cognitive programming as early as possible during their sentence.

Sec. 942. Auditor General and Corrections Ombudsman Access to Contracted Facilities – RETAINED (UNENFORCEABLE)

Requires any contract with a public or private party to operate a facility to house Michigan prisoners to include a provision allowing access to the facility and appropriate records by the Auditor General and the Legislative Corrections Ombudsman. (*Governor’s signing letter states this section is unenforceable.*)

Sec. 943. Savings from Prison Closures – REVISED

Requires MDOC to report on actual and projected savings achieved by closing correctional facilities, starting with closure of the Pugsley Correctional Facility, which closed in September 2016. Revised to require that reporting continue for each facility closed after the closure of Pugsley.

Sec. 946. Investment in Communities After Facility Closure – REVISED

Expresses intent of the legislature that MDOC consult with the legislature and other appropriate state agencies to develop a framework to provide investment in communities that have former operational state correctional facilities that have been closed; requires framework to include plans to ensure that vacant state correctional facilities do not become a nuisance or danger to the community. Revised to delete “intent of the legislature” and require consultation.

MISCELLANEOUS

ONE-TIME APPROPRIATIONS

Sec. 1101. Chance for Life Program – NEW

Requires funding to be allocated to an organization that provides prison-based rehabilitation programming including educational, life skills, and behavioral modification programs; states the objective of programming is to offer a progressive transformational program to individuals while they are in prison, in an effort to prepare them for a successful transition back into the community; states the purpose of the organization is to increase community safety by reducing recidivism through providing evidence-based mentoring, employment soft skills training, job placement assistance, and critical thinking skills, mediation, and conflict resolution training.

Sec. 1102. Prosperity Region 8 Pilot Program – NEW

Requires MDOC to initiate a pilot program to provide care management to parolees post-release which may include the development of prerelease mental health discharge plans for parolees in Prosperity Region 8.

CORRECTIONS

FY 2020-21 Supplemental Appropriation Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

**Appropriation
Change**

1. Residential Services Per Diem Rate Adjustment

Includes a net \$0 appropriation adjustment in order to revise current year boilerplate section 410 of Article 2 of 2020 PA 166. Language will be revised to authorize per diem reimbursement rates of not more than \$111.00 for residential services, retroactive to October 1, 2020.

Gross **\$0**
GF/GP **\$0**

2. Corrections Training Facility

Reduces a total of \$20.9 million from a number of line items throughout the budget due to one-time declines in program costs, and transfers the funding to a new Corrections Training Facility line item. Funding will be used to support conversion of the former DHHS W. J. Maxey Training School for Boys to a training academy for corrections officers and other Department of Corrections staff.

Gross **\$0**
GF/GP **\$0**

FY 2020-21 Supplemental Boilerplate Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

Sec. 451. Residential Services Per Diem Rate Adjustment

Specifies purpose of and requirements for community corrections comprehensive plans (e.g., reduce admissions to prisons, improve utilization of jail facilities, contribute to offender success); lists award criteria for community corrections planning and residential services funds (e.g., trends in prison commitment rates, jail utilization, community corrections program capacity and utilization; impact and outcome of policies and procedures of programs on offender success); authorizes per diem reimbursement rates of not more than \$111.00 for residential services, retroactive to October 1, 2020; lists allowable uses of program funding for Drunk Driver Jail Reduction and Community Treatment Program (e.g., reimbursing counties for transportation, treatment costs, housing felony drunk drivers during period of assessment for treatment and case planning); provides for reimbursement for housing at a rate of \$43.50 per day per offender for up to five days; designates appropriation as a work project appropriation.

Sec. 452. Corrections Training Facility

Authorizes unexpended funding to be carried forward.

REPEALERS

Sec. 1201. Repeal Residential Services Per Diem Rate Language in 2020 PA 166

Repeals section 410 of Article 2 of 2020 PA 166 and replaces it with section 451 of Article 14 of this bill.

EDUCATION (DEPARTMENT)

**DEPARTMENT OF EDUCATION
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 3)**

Analysts: Emily Hatch, Samuel Christensen, and Jacqueline Mullen

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
	\$0	\$0	\$0	--
Federal	343,701,700	1,797,625,600	1,453,923,900	423.0
Local	5,872,100	5,870,300	(1,800)	(0.0)
Private	2,239,300	2,238,500	(800)	(0.0)
Restricted	9,815,500	9,785,400	(30,100)	(0.3)
GF/GP	90,067,100	96,508,100	6,441,000	7.2
Gross	\$451,695,700	\$1,912,027,900	\$1,460,332,200	323.3
FTEs	620.5	621.5	1.0	0.2

Notes:

(1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.

(2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The State Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Michigan Department of Education (MDE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the MDE include developing and overseeing the K-12 school system, certifying teachers, disbursing funds to educational organizations and libraries, providing technical assistance to school districts and libraries, and providing early education and child day care support for low-income and other qualifying families.

Major Budget Changes from FY 2020-21 YTD Appropriations

1. COVID-19 Child Care Public Assistance

Authorizes a total of \$1.5 billion federal funding from the following sources to provide child care investments from FY 2020-21 through FY 2022-23: \$292.1 million Child Care Development Block Grant (CCDBG) under the federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA); \$438.1 million CCDBG under the federal American Rescue Plan Act (ARPA); \$700.7 million CCDBG under ARPA Child Care Stabilization Fund; \$30.0 million matching award under ARP; and \$35.0 million CCDBG annual award. There is a work project request for each of the above fund sources with an estimated completion date of September 30, 2023 (See Major Boilerplate Changes for Secs. 1030 to 1034.) The plan would include the following components:

- An estimated \$108.1 million to increase the CDC entrance income eligibility threshold from 150% to 185% of the federal poverty guidelines for FY 2021-22 and FY 2022-23. (See Major Boilerplate Changes for Sec. 1009.)
- \$3.0 million (\$1.5 million each year) to continue providing mental health consultation to child care providers for FY 2021-22 and FY 2022-23. (See Major Boilerplate Changes for Sec. 1012.)
- An estimated \$158.0 million to increase provider reimbursement rates by 30% for FY 2021-22 and FY 2020-23. (See Major Boilerplate Changes for Sec. 1020.) [continued on next page]

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Gross	NA	\$1,495,863,500
Federal	NA	1,495,863,500
GF/GP	NA	\$0

EDUCATION (DEPARTMENT)

FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
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Major Budget Changes from FY 2020-21 YTD Appropriations

1. COVID-19 Child Care Public Assistance (continued)

- An estimated \$117.4 million to pay providers based on enrollment rather than based on attendance for FY 2021-22 and FY 2022-23. (See Major Boilerplate Changes for Sec. 1021.)
- \$700.7 million for MDE to distribute subgrants to eligible child care providers. (See Major Boilerplate Changes for Sec. 1022.)
- \$100.0 million for technical and/or financial support to new or expanding child care providers. (See Major Boilerplate Changes for Sec. 1023.)
- \$222.0 million for additional bonus pay to providers in addition to the ongoing 30% rate increases. (See Major Boilerplate Changes for Sec. 1024.)
- An estimated \$13.0 million to waive family contribution copays for the CDC program for FY 2020-21 only. (See Major Boilerplate Changes for Sec. 1025.)
- \$30.0 million to distribute child care worker bonus pay to providers based on the number of FTE child care workers needed to be fully staffed. (See Major Boilerplate Changes for Sec. 1026.)
- \$36.5 million for MDE to contract with child care providers for infant and toddler slots. (See Major Boilerplate Changes for Sec. 1027.)
- \$7.2 million to provide MDE with implementation costs for the above child care policy proposals. (See Major Boilerplate Changes for Sec. 1028.)

2. One-Time Appropriation (Partial) – Before and After School Programs

Provides \$5.0 million GF/GP (\$1.1 million ongoing and \$3.9 million one-time) for MDE to continue a FY 2020-21 School Aid Budget (See Sec. 23e, MCL 388.1623e) competitive grant program to community-based organizations for in-person before and/or after school programs for grades K-8. Revises prioritization of funding from entities located in areas without before and after school programming to entities with demonstrated need.

Gross	NA	\$5,000,000
GF/GP	NA	\$5,000,000

3. State Aid to Libraries – Funding Increase

Includes an increase of \$2.0 million GF/GP to State Aid to Libraries.

Gross	\$13,067,700	\$2,000,000
GF/GP	\$13,067,700	\$2,000,000

4. Educator Preparation and Recruitment Programs

Includes \$1.7 million GF/GP and authorizes 1.0 FTE position for educator preparation and recruitment, with the programing split between two purposes:

- \$1.3 million for awards to districts for educator preparation program tuition, program fees, testing fees, and substitute permit costs for any individual employed in grades pre-k to 12 working towards certification or an additional endorsement; and for program costs associated with learning experiences for students in grades 6 to 12 interested in the field of education, with supervision and mentoring from educators.
- \$340,000 GF/GP and 1.0 FTE position for teacher recruitment and preparation programs.

FTE	NA	1.0
Gross	NA	\$1,670,000
GF/GP	NA	\$1,670,000

5. Teacher License Renewals

Includes \$280,000 GF/GP to implement a program to waive fees or associated costs for former teachers whose teaching licenses have expired. (See Major Boilerplate Changes for Sec. 502.)

Gross	NA	\$280,000
GF/GP	NA	\$280,000

EDUCATION (DEPARTMENT)

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>			
6. Library Pilot Program	Gross	NA	\$800,000
Provides \$800,000 GF/GP for library pilot program grants to school districts in four counties. The grants are for contracts for the administration of libraries of a school district by a librarian with a public librarian certificate issued by the Library of Michigan. Grants to a school district may not exceed \$10,000 per library facility and a school district must employ a certified school media specialist to be eligible for a grant. The four eligible counties are Berrien, Genesee, Kent, and Mackinac.	GF/GP	NA	\$800,000
7. One-Time Appropriation – School Board Member Training	Gross	NA	\$260,000
Includes \$260,000 one-time GF/GP for a new school board member training reimbursement program.	GF/GP	NA	\$260,000
8. One-Time Appropriation – Michigan’s Poet Laureate	Gross	NA	\$100,000
Provides \$100,000 one-time GF/GP to support a Michigan Poet Laureate program with funding for travel and events to promote poetry, the spoken word, and the literary arts.	GF/GP	NA	\$100,000
9. Special Education Remote Learning Library – Virtual Learning Tools – Removal	Gross	\$1,500,000	(\$1,500,000)
Removes \$1.5 million GF/GP for the Special Education Remote Learning Library, which provides funds for the creation of content for use by special education students, teachers, and others, as well as tools to measure the needs of special education students in remote learning environments. The funds are transferred to the School Aid budget.	GF/GP	\$1,500,000	(\$1,500,000)
10. Child Development and Care (CDC) – State Matching Fund Decrease	Gross	\$241,622,000	\$0
Replaces \$1.0 million GF/GP with a corresponding amount of federal funds for the CDC program’s matching funds in order to align GF/GP with the estimated amount needed to draw down the full federal Child Care Development Fund (CCDF) award. This represents an estimate because the final federal allocation for Michigan has not been appropriated at the federal level.	Federal	202,190,700	1,019,600
	GF/GP	\$39,431,300	(\$1,019,600)
11. Child Development and Care (CDC) – CREC Adjustments	Gross	\$241,622,000	(\$42,542,000)
Reduces by \$42.5 million federal funds for May 2021 CREC caseload adjustment.	Federal	202,190,700	(42,542,000)
	GF/GP	\$39,431,300	\$0
12. Economic Adjustments	Gross	NA	(\$599,300)
Reflects decreased costs of \$599,300 Gross (\$149,400 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker’s compensation, building occupancy charges, and other economic adjustments.	Federal	NA	(417,200)
	Local	NA	(1,800)
	Private	NA	(800)
	Restricted	NA	(30,100)
	GF/GP	NA	(\$149,400)

Major Boilerplate Changes from FY 2020-21

Sec. 216. FTE Vacancies and Remote Work Report – REVISED

Revises to require MDE to report by March 1, rather than April 1, of the current fiscal year, data on the number of employees working remotely, as well as the cost savings and reduced workspace associated with remote work. Maintains requirement of MDE to report data quarterly on full-time equated (FTE) positions, as well as a comparison of authorized FTEs and employed FTEs.

Sec. 219. Kindergarten Entry Assessment Participation – DELETED

Deletes the requirement for MDE to ensure that the kindergarten entry assessment includes a method for information to be provided regarding a child’s participation in the Great Start Readiness Program.

Major Boilerplate Changes from FY 2020-21

Sec. 225. Severance Pay Reporting – NEW

Requires MDE to report on any amounts of severance pay for high-ranking department officials within 14 days of the severance agreement signing, maintain a website that posts severance pay in excess of 6 weeks of wages, and reports the total amount of severance pay for FY 2020-21.

Sec. 227. Vaccine Passport – NEW

Prohibits any department, agency, board, commission, or public officer that receives funding from the bill from doing the following: requiring that an individual provide proof of receiving a COVID-19 vaccine as a condition of accessing state services or facilities, except as provided by federal law or as a condition of receiving federal Medicare or Medicaid funding; produce, develop, or issue a COVID-19 vaccine passport; develop a database or make any existing database publicly available to access an individual's COVID-19 vaccine status by any person, company, or governmental entity; require as a condition of employment that an employee or official provide proof that he or she has received a COVID-19 vaccine; and subjecting any individual to negative employment consequences, retaliation, or retribution because of their vaccine status. The language does not prohibit transmitting proof of vaccine status if the individual provides affirmative consent and requires exemptions be provided to the following individuals if a vaccine policy is required due to a federal mandate: individual for who a physician certifies that a vaccine is or may be detrimental to the individual's health and an individual who provides a written statement to the effect that the requirements of the vaccine policy cannot be met because of religious convictions or other consistently held objection to immunization.

Sec. 231. Child Protection Law Reporting – DELETED

Deletes a requirement that MDE report to districts, ISDs, and PSAs task force recommendations for reducing child sexual abuse as required by section 12b of the Child Protection Law, MCL 722.632b.

Sec. 233. Teacher Recruitment Program – DELETED

Deletes a requirement that MDE implement a training program for pupils in grades 9 to 12 who are interested in teaching and are members of groups underrepresented in the teaching profession.

Sec. 234. College Acceleration Program Report – DELETED

Deletes a requirement that MDE complete a study by May 1, 2021 regarding issues of school enrollment, performance, and outcomes related to college acceleration programs.

Sec. 235. Effectiveness Survey – NEW

Requires MDE to administer a survey that allows teachers, paraprofessionals, and administrators to provide feedback on their interactions with the department. Requires the survey to focus on transactions that occur through the Michigan Online Educator Certification System and professional development offered by the department; include information on the survey recipient's viewpoint of MDE and rating of their interactions and the recipient's insight on MDE's effectiveness in achieving goals within Michigan's Top 10 Strategic Education Plan. Requires MDE to prepare a report of the survey results and submit it to the House and Senate appropriations committees by June 1, 2022.

Sec. 351. Special Education Remote Learning Library – DELETED

Deletes an allocation of \$1.5 million to an association for administrators of special education services to develop and make available content for use by special education students, teachers, and others. The funds may also be used for tools to measure the needs of students with special needs in remote learning environments, as well as to identify any available federal funds for research related to special education in remote learning.

Sec. 1009. CDC Increase to Eligibility Entrance Threshold – REVISED

Revises to increase the entrance income threshold for the CDC program from 130% to 185% of the federal poverty guidelines. Revises to include the following conditions for the entrance income threshold: 1) if the average number of paid children in the CDC program is more than 40,000 for 3 consecutive months, then MDE is required to create a waiting list and begin the administrative process to decrease the income entrance eligibility threshold to not less than 160% of the federal poverty guidelines for the following month; and 2) if the average number of paid children in the CDC program is less than 32,000 by March 31, 2022, then MDE may increase the income entrance eligibility threshold up to 200% of the federal poverty guidelines.

Sec. 1012. Child Mental Health – NEW

Requires MDE to work in collaboration with the Michigan Department of Health and Human Services (DHHS) to continue the network of infant and early childhood mental health consultation, which provides mental health consultation to child care providers.

Sec. 1020. CDC Provider Reimbursement Rate Increase – NEW

Requires MDE to increase CDC provider reimbursement rates by 30% from the rates enacted in the FY 2021 MDE budget, rounded up to the nearest \$0.05.

EDUCATION (DEPARTMENT)

Major Boilerplate Changes from FY 2020-21

Sec. 1021. Child Care Provider Payment Based on Enrollment Rather Than Attendance – NEW

Requires MDE to make payments to child care providers for eligible children in the CDC program based on enrollment rather than based on attendance for FY 2021-22 and FY 2022-23.

Sec. 1022. Child Care Stabilization Grants – NEW

Requires MDE to create the child care stabilization grant program to provide subgrants to eligible providers. Requires MDE to distribute the grants through 2 rounds, with the first round occurring as soon as possible, and the application process for the second round beginning within 3 months of the conclusion of the first round.

Requires MDE to publicly post on its website the criteria, and associated weighting, used to determine the subgrant awards. The required criteria include all of the following: a base rate amount tied to the number of licensed slots at the provider, the type of provider, and whether the provider services infants and toddlers; and additional bonus payments for the number of employees and for providers that are serving subsidy children, children with special needs, offering nontraditional hours, and that have a published quality rating.

To be eligible for a grant, providers must certify that they implement policies in line with Child Care Development Fund health and safety guidance, continue to pay at least the same wages and same benefits for staff, and to the extent possible, provide relief from co-pays and tuition for parents.

Finally, requires MDE to use a portion of the funds from CRRSA to fund unpaid, eligible grant applications from Round 6 of the Child Care Relief Fund.

Sec. 1023. Support for New and Expanding Child Care Providers– NEW

Requires MDE to use funds for technical and/or financial support to new or expanding child care providers. Requires at least 50% of funds to be used to provide technical support or support for the start-up costs for new and expanding providers. Requires up to 50% of funds to be used for facility improvements as permissible under the applicable federal guidelines, with preference given to providers that have projects that have begun or are ready to begin once additional funding is available. Permits unused funds under facility improvements to go towards the purpose of technical support if the funds for technical support are fully expended and MDE has distributed all possible funds for facility improvements.

Sec. 1024. Temporary Bonus Payment for Child Care Providers – NEW

Requires MDE to provide temporary bonus reimbursement payments to child care providers in addition to the ongoing 30% rate increase (See Sec. 1020 above) for an estimated 39 consecutive biweekly pay periods over the course of FY 2021-22 and FY 2022-23. The scheduled bonus reimbursement payment rates are as follows: for the first 13 biweekly pay periods, 50% above the rate established in Sec. 1020; for the second 13 biweekly pay periods, 40% above the rate established in Sec. 1020; for the third 13 biweekly pay periods, 30% above the rate established in Sec. 1020; and for any remaining balance of funds after 39 biweekly pay periods, not more than 30% above the rate established in Sec. 1020 until all remaining funds have been expended.

Sec. 1025. Copay Waivers – NEW

Requires MDE to pay the CDC program's required family contribution on a family's behalf for FY 2021-22 only.

Sec. 1026. Bonus Pay for Child Care Workers – NEW

Requires MDE to develop an application process and distribute child care worker bonus pay to providers based on the number of current full-time equivalent (FTE) child care workers and the number of additional FTE child care workers a provider needs to be fully staffed. The application and distribution may be part of the stabilization grant process (Sec. 1022 noted above). Requires providers to agree to return funds if it is determined that they did not use the bonus pay for allowable purposes and within certain time periods.

Sec. 1027. Contracts for Infant and Toddler Slots – NEW

Requires MDE to contract with child care providers for infant and toddler slots, with the intended purpose to increase the supply of these slots in Michigan. Requires MDE to award contracts to providers in diverse geographical regions where there are shortages of infant and toddler child care services, and allows MDE to pay market rates for the slots.

Sec. 1028. Department Administrative Funding – NEW

Provides MDE with \$7.2 million from the funds appropriated in part 1 for implementation costs.

Sec. 1030. Work Project: ARP – Child Care Stabilization – NEW

Designates ARP – child care stabilization as a work project appropriation with an estimated completion date of September 30, 2023.

Major Boilerplate Changes from FY 2020-21

Sec. 1031. Work Project: CRRSA – Child Care Stimulus – NEW

Designates CRRSA – child care stimulus as a work project appropriation with an estimated completion date of September 30, 2023.

Sec. 1032. Work Project: ARP – Child Care Stimulus – NEW

Designates ARP – child care stimulus as a work project appropriation with an estimated completion date of September 30, 2023.

Sec. 1033. Work Project: Child Care Award – NEW

Designates child care award as a work project appropriation with an estimated completion date of September 30, 2023.

Sec. 1034. Work Project: ARP – Child Care Entitlement – NEW

Designates ARP – child care entitlement as a work project appropriation with an estimated completion date of September 30, 2023.

Sec. 1100. School Board Training – NEW

Requires MDE to approve one or more eligible training programs for school board members. Areas of training include conflicts of interest, labor relations, education law, school finance, and board governance. Requires board members to apply for reimbursement through their district and for MDE to reimburse districts.

Sec. 1101. Educare – DELETED

Deletes a requirement that MDE award funds from part 1 to an early childhood collaborative that serves students in Genesee County to continue the expansion of early childhood services because of a drinking water declaration of emergency.

FY 2020-21 Supplemental Appropriation Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

**Appropriation
Change**

1. Library Technology Services

Includes \$4.2 million in federal ARPA funding to provide financial support to libraries in Michigan.

Gross	\$4,171,600
Federal	4,171,600
GF/GP	\$0

**DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 4)**

Analyst: Austin Scott

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
	\$3,337,700	\$3,544,900	\$207,200	6.2
Federal	171,973,000	226,889,200	54,916,200	31.9
Local	0	0	0	--
Private	1,412,800	1,411,200	(1,600)	(0.1)
Restricted	275,191,800	304,549,900	29,358,100	10.7
GF/GP	59,443,900	153,375,500	93,931,600	158.0
Gross	\$511,359,200	\$689,770,700	\$178,411,500	34.9
FTEs	1,424.0	1,467.0	43.0	3.0

Notes:

- (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.
- (2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Department of Environment, Great Lakes, and Energy (EGLE) is responsible for managing Michigan's air, land, water, and energy resources. Departmental functions include improving resource quality, reducing waste, and mitigating threats to Michigan's environment.

Major Budget Changes from FY 2020-21 YTD Appropriations	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
1. Drinking Water Emergency Assistance (One-Time) Adds \$15.0 million GF/GP to address drinking water systems contamination response and remediation.	Gross GF/GP	NA NA \$15,000,000 \$15,000,000
2. PFAS Remediation (One-Time) Provides \$14.5 million GF/GP for grants to drinking water systems for PFAS contaminant remediation or alternate water system connection costs.	Gross GF/GP	NA NA \$14,450,000 \$14,450,000
3. Contaminated Site Cleanup (One-Time) Includes \$10.0 million GF/GP for the prioritization and remediation of newly contaminated properties statewide that emerge throughout the year.	Gross GF/GP	NA NA \$10,000,000 \$10,000,000
4. Contaminated Site Contingency Reserve Fund (One-Time) Adds a \$100 GF/GP placeholder for the prioritization and remediation of newly contaminated properties statewide that emerge throughout the year. Sec. 1016 requires a legislative transfer for expenditure.	Gross GF/GP	NA NA \$100 \$100
5. Lead Service Line Replacements (One-Time) Provides \$10.0 million GF/GP to replace lead service lines and improve drinking water safety in Benton Harbor.	Gross GF/GP	NA NA \$10,000,000 \$10,000,000
6. High Water Infrastructure Grants (One-Time) Adds \$14.3 million GF/GP for infrastructure grants to address flooding, erosion, and other coastal issues.	Gross GF/GP	NA NA \$14,325,000 \$14,325,000

ENVIRONMENT, GREAT LAKES, AND ENERGY

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
7. Dam Safety Grant Program (One-Time)	Gross	NA	\$13,000,000
Provides \$13.0 million GF/GP to establish grants to address imminent threats or significant risks at publicly-owned or privately-owned dams.	GF/GP	NA	\$13,000,000
8. Dam Safety Emergency Action Fund (One-Time)	Gross	NA	\$6,000,000
Includes \$6.0 million GF/GP to create a new fund to respond to dam emergencies where the owner has not adequately maintained their dam.	GF/GP	NA	\$6,000,000
9. Sustainable Business Park (One-Time)	Gross	NA	\$4,000,000
Provides \$4.0 million GF/GP to support the infrastructure necessary to develop a sustainable business park to replace the need for new landfills in Kent County.	GF/GP	NA	\$4,000,000
10. Harbor Site Environmental Cleanup (One-Time)	Gross	NA	\$2,300,000
Includes \$2.3 million GF/GP to remediate contaminated soil and mitigate adjacent wetlands in Muskegon.	GF/GP	NA	\$2,300,000
11. Wastewater Retention Basin (One-Time)	Gross	NA	\$2,000,000
Adds \$2.0 million GF/GP to increase the storage capacity of wastewater retention basins in Macomb County.	GF/GP	NA	\$2,000,000
12. Land and Water Interface Permit Programs	FTE	84.0	35.0
Adds \$5.3 million GF/GP to increase support for programs in flood response, dam safety, construction permitting, and Great Lakes shorelands rather than increasing program fees. Increase supports the addition of 25.0 new FTE positions; 10.0 FTE positions are transferred from the Renewing Michigan's Environment Program.	Gross	\$12,649,600	\$5,317,000
	IDG	1,338,700	0
	Federal	2,099,100	0
	Restricted	2,410,300	0
	GF/GP	\$6,801,500	\$5,317,000
13. Surface Water and Environmental Health	FTE	NA	1.0
Adds \$375,100 GF/GP and 1.0 FTE position to support surface water programs in water quality monitoring, pollutant testing, and wastewater toxicity, as well as environmental health programs in drinking water monitoring and emergency response rather than increasing program fees.	Gross	NA	\$375,100
	Restricted	NA	0
	GF/GP	NA	\$375,100
14. NPDES Nonstormwater Program	FTE	83.0	15.0
Adds \$1.6 million GF/GP to support the regulation of hazardous discharges to Michigan waterways rather than increasing program fees. Increase supports the addition of 11.0 new FTE positions; 4.0 FTE positions are transferred from the Renewing Michigan's Environment Program.	Gross	\$13,685,200	\$1,600,000
	Federal	6,902,400	0
	Restricted	4,305,100	0
	GF/GP	\$2,477,700	\$1,600,000
15. Hazardous Waste Management Program	Gross	\$5,851,200	\$100,000
Adds \$100,000 GF/GP to support the processing of new sites for hazardous waste management rather than increasing program fees.	Federal	2,330,400	0
	Restricted	3,520,800	0
	GF/GP	\$0	\$100,000
16. Stormwater Activities	FTE	27.5	0.0
Provides \$415,800 GF/GP to expand support for storm water discharge regulation.	Gross	\$5,327,200	\$415,800
	Federal	2,200,600	0
	Restricted	2,268,100	0
	GF/GP	\$858,500	\$415,800
17. Lead Line Replacement	FTE	NA	1.0
Adds \$192,100 GF/GP and 1.0 FTE position to support an EGLE staff member engaged in the replacement of lead service lines in drinking water systems.	Gross	NA	\$192,100
	GF/GP	NA	\$192,100

ENVIRONMENT, GREAT LAKES, AND ENERGY

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change	
18. Environmental Cleanup Support – Premcor Settlement		Gross	\$1,000,000	\$29,300,000
Appropriates \$29.3 million from the Environmental Response Fund to cleanup petroleum contamination at former Premcor Refining Group gas station sites in accordance with legal settlement.		Restricted	1,000,000	29,300,000
		GF/GP	\$0	\$0
19. Superfund Cleanup – Spartan Chemical		Gross	NA	\$10,000,000
Appropriates \$10.0 million in available federal funding to continue remediation and development at the Spartan Chemical site in Kent County.		Federal	NA	10,000,000
		GF/GP	NA	\$0
20. Laboratory Services		FTE	39.0	3.0
Appropriates \$1.5 million in available revenue from the Laboratory Services Fees Fund and authorizes 3.0 FTE positions to expand physical, chemical, and biological testing at environmental and drinking water laboratories.		Gross	\$6,995,400	\$1,450,000
		Restricted	6,995,400	1,450,000
		GF/GP	\$0	\$0
21. Brownfield Grants		Gross	NA	\$1,100,000
Reestablishes the Brownfield Grants appropriation for the remediation and redevelopment of contaminated sites supported by \$1.1 million from the Brownfield Development Fund.		Restricted	NA	1,100,000
		GF/GP	NA	\$0
22. Environmental Support Projects		Gross	\$5,000,000	\$1,000,000
Appropriates \$1.0 million in available revenue from the Settlement Fund for environmental remediation at contaminated sites.		Restricted	5,000,000	1,000,000
		GF/GP	\$0	\$0
23. Oil, Gas, and Mineral Services		FTE	57.0	2.0
Expands the Oil, Gas, and Mineral Services Program by adding 2.0 FTE positions and \$370,000 Gross to recognize the transfer of oversight of underground injection and gas storage wells from the Environmental Protection Agency to EGLE. Interdepartmental support from the Department of Licensing and Regulatory Affairs will provide for partnership between EGLE and the Public Service Commission to regulate gas storage wells.		Gross	\$11,312,600	\$370,000
		IDG	0	220,000
		Federal	0	150,000
		Restricted	6,901,100	0
		GF/GP	\$4,411,500	\$0
24. Scrap Tire Grants		Gross	\$6,500,000	(\$3,000,000)
Reduces scrap tire grant funding from the Scrap Tire Regulatory Fund by \$3.0 million to reflect available restricted revenue. These grants fund the removal of scrap tires from public lands.		Restricted	6,500,000	(3,000,000)
		GF/GP	\$0	\$0
25. Removal of FY 2020-21 One-Time Funding		Gross	\$5,560,000	(\$4,960,000)
Removes \$5.0 million GF/GP for one-time programs included in the FY 2019-20 budget. Programs included the Blanchard Dam study, Cooperative Lakes Monitoring, Madison Heights Environmental Cleanup, Lead and Copper Rule Support, Michigan Geological Survey, Multistate Aquifer Study, Parchment Water Treatment Plant Project, and Watershed Council Grants; maintains \$600,000 GF/GP for Watershed Council Grants.		GF/GP	\$5,560,000	(\$4,960,000)
26. Renewing Michigan’s Environment Program		FTE	128.0	(14.0)
Transfers 10.0 FTE positions to Land and Water Interface Permit Programs and 4.0 FTE positions to the NPDES Nonstormwater Program to meet departmental personnel needs.		Gross	\$70,060,200	\$0
		Restricted	70,060,200	0
		GF/GP	\$0	\$0
27. Water Infrastructure Improvements for the Nation Act		Gross	NA	\$45,000,000
Reappropriates \$45.0 million in available federal funding for water treatment plant improvements, service line and water meter replacement, distribution system upgrades, corrosion control, and other infrastructure needs. Funding was originally appropriated in 2017 PA 33.		Federal	NA	45,000,000
		GF/GP	NA	\$0

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
28. Economic Adjustments	Gross	NA (\$923,600)
Reflects decreased costs of \$923,600 Gross (\$183,500 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	(12,800)
	Federal	(233,800)
	Private	(1,600)
	Restricted	(491,900)
	GF/GP	(\$183,500)

Major Boilerplate Changes from FY 2020-21

Sec. 216. FTE Vacancies and Remote Work Report – REVISED

Requires department to report quarterly on the number of FTE positions filled, FTE vacancies, the number of employees working remotely, the number of employees authorized to work remotely, estimated cost savings from remote work, and reduction in office space due to working remotely. Revised reporting requirement from quarterly to annual.

Sec. 221. Severance Reporting – NEW

Requires department to report details of severance pay for certain departmental employees.

Sec. 222. COVID-19 Vaccine Disclosure – NEW

Prohibits state officials from requiring COVID-19 vaccine disclosure as a condition of receiving state services or developing a vaccine passport.

Sec. 222. Consolidated Report on Environmental Cleanup Projects – DELETED

Requires department to provide status report with detailed information on approved cleanup projects funded through Environmental Cleanup and Redevelopment Program, state cleanup, emergency actions, Superfund Cleanup, Revitalization Revolving Loan Program, brownfield grants and loans, Underground Storage Tank Cleanup Program, Contaminated Lake and River Cleanup Program, Refined Petroleum Product Cleanup Program, and Environmental Protection Bond Projects. Deleted and integrated into Sec. 235.

Sec. 225. Rule Promulgation – RETAINED (UNENFORCEABLE)

Requires report on any policy changes made to implement a public act; prohibits department from adopting a rule that applies to a small business if it has a disproportionate economic impact. *(Governor's signing letter states this section is unenforceable.)*

Sec. 235. Quarterly Remediation and Redevelopment Report – NEW

Requires list of cleanup sites addressed by Remediation and Redevelopment Division and estimated costs for each. New section created by integrating previous sections 222, 303, and 306 (2).

Sec. 237. Employee Legal Costs Related to Drinking Water Declaration of Emergency – RETAINED (UNENFORCEABLE)

Requires department to be responsible for payment of current and former department employees' legal costs from legal actions taken related to drinking water declaration of emergency. *(Governor's signing letter states this section is unenforceable.)*

Sec. 238. Permitting Report – NEW

Requires a report on the department's permitting programs including applications, approvals, denials, and backlogs.

Sec. 302. Contaminated Site Investigations Staffing Costs – NEW

Limits the department to expending not more than 3% of Contaminated Site Investigations appropriation on administration.

Sec. 303. Contaminated Site Investigations Cleanup Site List – DELETED

Requires list of cleanup sites addressed by Contaminated Site Investigations for the new fiscal year and closed sites from the preceding fiscal year. Deleted and integrated into Sec. 235.

Sec. 306. Refined Petroleum Fund Cleanup Site List – REVISED

Requires list of cleanup sites addressed by Refined Petroleum Product Cleanup Program for the new fiscal year and closed sites from the preceding fiscal year. Revised to integrate reporting requirement into Sec. 235.

ENVIRONMENT, GREAT LAKES, AND ENERGY

Major Boilerplate Changes from FY 2020-21

Sec. 308. Work Projects – Emergency Cleanup Actions and Refined Petroleum Product Cleanup Program – REVISED

Authorizes unexpended funds appropriated for Emergency Cleanup Actions and Refined Petroleum Product Cleanup Program to be considered work project appropriations and carried forward into succeeding fiscal year; program will perform contaminated site cleanups. Revised to add funds appropriated for Emergency Cleanup Support.

Sec. 312. Work Project – Environmental Cleanup Support – NEW

Authorizes unexpended funds appropriated for Environmental Cleanup Support to be considered work project appropriations and carried forward into succeeding fiscal year; program will perform contaminated site cleanup at former Premcor Refining Group gas station sites.

Sec. 351. Superfund Cleanup – NEW

Earmarks \$10.0 million of appropriation to be used for contaminated site cleanup at the Spartan Chemical site in Kent County; designates unexpended funding as a work project appropriation.

Sec. 411. Chapaton Treatment Lagoon Report – NEW

Requires the department to report the information and materials needed to permit and regulate Chapaton open-air wastewater treatment lagoon in Macomb County.

Sec. 902. Scrap Tire Grants Earmark – DELETED

Earmarks \$3.0 million from Scrap Tire Grants for a project in Alpena.

Sec. 1003. Dam Safety Grant Program – NEW

Directs expenditure of the dam safety grant program for projects to mitigate risky dams; requires annual report on program.

Sec. 1004. Dam Safety Emergency Action Fund – NEW

Directs expenditure of the dam safety emergency action fund for EGLE to mitigate risky dams if the dam owner is unwilling or unable to take action; requires annual report on activities of the fund.

Sec. 1005. Water Infrastructure Improvements for the Nation Act – NEW

Re-establishes the appropriation for the Water Infrastructure Improvements for the Nation program as a work project account, which authorizes unspent funds at the end of the fiscal year to be carried forward into the following fiscal year. Funding was originally appropriated in 2017 PA 33.

Sec. 1005. Private Well Testing – DELETED

Directs expenditure if funding becomes available for private well testing to local health departments to provide water testing to private well owners; requires report on expenditures.

Sec. 1006. Blanchard Dam Bond Inspection and Repair Needs Study – DELETED

Directs expenditure of funding for the Blanchard Dam bond inspection and repair needs study to conduct a study of repair needs and for inspection at Blanchard Dam in Isabella County.

Sec. 1006. High Water Infrastructure Grants – NEW

Directs expenditure of funding for High Water Infrastructure Grants for planning and infrastructure grants to local communities for severe weather; caps individual grants at \$500,000 and requires a 20% match.

Sec. 1008. Environmental Cleanup Project (One-Time) – DELETED

Directs expenditure of funding for environmental cleanup project to support demolition costs of an electroplating services building in Madison Heights.

Sec. 1008. Prior Grant Awards Not Disqualifying Applicants – NEW

Prevents grant recipients from being disqualified for future grant awards on account of receiving previous grant awards.

Sec. 1009. PFAS Remediation (One-Time) – NEW

Directs expenditure of funding for grants to drinking water systems for PFAS contaminant remediation or alternate water system connection costs; requires report on expenditures.

Sec. 1009. Lead and Copper Rule Support – DELETED

Directs expenditure of funding for lead and copper rule support for water line replacement in the City of Clare (\$2.5 million) and the City of Burton (\$250,000).

Sec. 1010. Wastewater Retention Basins – NEW

Directs expenditure of funding for Wastewater Retention Basins to increase the storage capacity of wastewater retention basins for combined sewer overflows and infrastructure in Macomb County.

Major Boilerplate Changes from FY 2020-21

Sec. 1010. Michigan Geological Survey – DELETED

Directs expenditure of funding for Michigan Geological Survey to support basic and applied geological research at Western Michigan University and designates funding as a work project account.

Sec. 1011. Harbor Site Cleanup – NEW

Directs expenditure of funding for Harbor Site Cleanup to remediate contaminated soil and mitigate adjacent wetlands in Muskegon.

Sec. 1011. Multistate Aquifer Study – DELETED

Directs expenditure of funding for Multistate Aquifer Study for a study of the Michindoh Aquifer in Michigan, Indiana, and Ohio and designates funding as a work project account.

Sec. 1012. Sustainable Business Park – NEW

Directs expenditure of funding for Sustainable Business Park to support the infrastructure necessary to develop a sustainable business park to replace the need for new landfills in Kent County.

Sec. 1012. Water Treatment Plant Project – DELETED

Directs expenditure of funding for Water Treatment Plant Project for contamination remediation at a water treatment plant in Parchment.

Sec. 1014. Lead Service Line Replacements – NEW

Directs expenditure of funding for Lead Service Line Replacements to replace lead service lines and improve drinking water safety in Benton Harbor; designates appropriation as a work project account.

Sec. 1015. Contaminated Site Cleanup – NEW

Directs expenditure of funding for Contaminated Site Cleanup for the prioritization and remediation of newly contaminated properties statewide that do not qualify for other cleanup funding; designates appropriation as a work project account.

Sec. 1016. Contaminated Site Cleanup Contingency Reserve Fund – NEW

Creates a Contaminated Site Cleanup Contingency Reserve Fund and directs expenditure of fund for the prioritization and remediation of newly contaminated properties statewide that do not qualify for other cleanup funding; requires a legislative transfer for expenditure.

Sec. 1017. Contaminated Site Cleanup Contingency Reserve Fund – NEW

Designates \$10.0 million to be transferred into the Contaminated Site Cleanup Contingency Reserve Fund as described in Sec. 1016.

Sec. 1018. Drinking Water Emergency Assistance – NEW

Directs expenditure of funding for Drinking Water Emergency Assistance to address drinking water systems contamination response and remediation; designates appropriation as a work project account.

FY 2020-21 Supplemental Appropriation Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

1. Water State Revolving Funds

Authorizes receipt of \$140.0 million in federal funds and expenditure of \$28.0 million in state restricted match funding to support an increase in demand for loans from the revolving loan revenue bonds for support of local water pollution control facilities.

		Appropriation Change
Gross		\$168,000,000
Federal		140,000,000
Restricted		28,000,000
GF/GP		\$0

2. Premcor Remediation Activities

Includes \$5.0 million in federal funding to be used for cleanup at gasoline stations formerly owned by The Premcor Refining Group, Inc. Several properties reported release of petroleum products from underground storage tanks. Settlement discussions resulted in an Administrative Consent Order which stated Premcor will make a payment toward future costs to the State of Michigan and EGLE will conduct corrective actions at approximately 79 sites formerly owned by Premcor.

Gross		\$5,000,000
Federal		5,000,000
GF/GP		\$0

ENVIRONMENT, GREAT LAKES, AND ENERGY

FY 2020-21 Supplemental Boilerplate Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

Sec. 502. Premcor Remediation Activities

Designates appropriation for Premcor Remediation Activities as a work project appropriation; specifies that the purpose of the appropriation is to provide contaminated site cleanup.

Sec. 503. Appropriations for Environmental Cleanup Projects

Reappropriates unspent funding from the Cleanup and Redevelopment Fund, leaking underground storage tank funding, bottle deposits funding, CMI – Response Activities Fund, brownfield grants and loans, waterfront grants, and Strategic Water Quality Initiatives Fund (SWQIF) for expenditure for any site listed in an appropriations act; appropriates funds not yet disbursed from SWQIF for expenditure in accordance with sections 324.5201, 324.5202, and 324.5204e of the Natural Resources Environmental Protection Act.

Sec. 504. Water State Revolving Funds

Designates appropriation for Water State Revolving Funds as a work project appropriation; specifies that the purpose of the appropriation is to make loans needed to support local water pollution control facilities.

REPEALERS

Sec. 1202. Repeal Appropriations for Environmental Cleanup Projects Language in 2020 PA 166

Repeals section 223 of Article 4 of 2020 PA 166 and replaces it with section 503 of Article 14 of this bill.

GENERAL GOVERNMENT TOTALS
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 5)

Analysts: Ben Gielczyk and Michael Cnossen

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
IDG/IDT	\$1,099,669,700	\$1,132,012,100	\$32,342,400	2.9
Federal	1,188,435,200	1,328,785,100	140,349,900	11.8
Local	26,297,200	26,260,700	(36,500)	(0.1)
Private	11,950,100	11,907,500	(42,600)	(0.4)
Restricted	2,432,301,600	2,500,094,600	67,793,000	2.8
GF/GP	1,403,539,900	1,555,152,700	151,612,800	10.8
Gross	\$6,162,193,700	\$6,554,212,700	\$392,019,000	6.4
FTEs	9,994.0	10,014.0	20.0	0.2

Notes:

- (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.
- (2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

Currently, the following departmental and agency budgets are included in the General Government budget: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, State, Technology, Management, and Budget (including the former Departments of Civil Service and Information Technology, and State Building Authority rent costs), Treasury (including the Bureau of State Lottery, Michigan Gaming Control Board, State Building Authority, Revenue Sharing, and Debt Service), and Labor and Economic Opportunity (including Michigan Strategic Fund (MSF)/Michigan Economic Development Corporation (MEDC), Bureau of Employment Relations, Bureau of Services for Blind Persons, Michigan Occupational Safety & Health Administration (MIOSHA), Workforce Development, Michigan Rehabilitation Services, Office of Global Michigan, Unemployment Insurance Agency (UIA), Workers' Disability Compensation Agency, State Land Bank, and Michigan State Housing Development Authority).

Major Boilerplate Changes from FY 2020-21

Sec. 206. Disciplinary Action Against State Employees – RETAINED (UNENFORCEABLE)

Prohibits departments from taking disciplinary action against employees in state classified civil service for communicating with legislators or their staff; stipulates disciplinary action may be taken if communication is prohibited by law and disciplinary action is exercised as authorized by law. (Governor's signing letter states this section is unenforceable.)

Sec. 211. Countercyclical Budget and Economic Stabilization Fund – REVISED

Includes no countercyclical budget and economic stabilization fund deposit in FY 2021-22.

Sec. 217. Work Project Expenditures – RETAINED (UNENFORCEABLE)

Prohibits appropriations from being expended in cases where existing work project authorization is available for same expenditures. (Governor's signing letter states this section is unenforceable.)

Sec. 218. State Administrative Board Transfers – RETAINED (UNENFORCEABLE)

Authorizes legislature, by concurrent resolution adopted by majority of members elected to and serving in each house, to inter-transfer funds if State Administrative Board transfers funds. (Governor's signing letter states this section is unenforceable.)

Sec. 222. Work Plan Changes for Coronavirus Relief Fund – DELETED

Requires state budget director to provide written notification on any changes in work plan spending categories for work projects containing Coronavirus Relief Funds for FY 2019-20 prior to expenditures occurring from new or increased spending categories.

GENERAL GOVERNMENT TOTALS

Major Boilerplate Changes from FY 2020-21

Sec. 222. Severance Pay Report – NEW

Requires departments and agencies to report name and any amount of severance pay given to any high-ranking department official; requires departments and agencies to maintain internet site and post severance pay in excess of 6 weeks of wages for a former department or agency employee of any rank; requires departments and agencies to submit annual report on total amount of severance pay remitted to former employees during prior fiscal year and total number of those employees; defines “severance pay”.

Sec. 223. Coronavirus Relief Fund Transfer to Unemployment Trust Fund – DELETED

Requires any Coronavirus Relief Fund appropriations for which expenditures have not been incurred as of December 30, 2020 to be deposited into Unemployment Insurance Trust Fund.

Sec. 225. Prohibitions on State Employer COVID-19 Vaccine Status Verifications – NEW

Prohibits various state government entities from requiring proof of COVID-19 vaccination as condition of accessing state services or facilities, producing COVID-19 vaccine passports, developing, or making existing databases public, accessing COVID-19 vaccine status, and requiring proof of receiving COVID-19 vaccine as condition of employment; prohibits state entities from subjecting an individual to negative consequences because of COVID-19 vaccine status; allows an individual to provide proof of COVID-19 vaccine status with consent; exempts certain individuals from federally mandated vaccine policies.

Sec. 229. Initiatives and Recommendations Related to Savings Identified in Audit Reports – RETAINED (UNENFORCEABLE)

Requires departments to report on their efforts and progress made toward achieving savings and efficiencies identified by the auditor general in audit reports; authorizes auditor general to perform and charge for subsequent audit to ensure that initiatives related to savings and efficiencies have been implemented if required report is not received within 6 months of release of audit. (*Governor’s signing letter states this section is unenforceable.*)

DEPARTMENT OF ATTORNEY GENERAL
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 5)

Analyst: Michael Cnossen

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
IDG/IDT	\$35,285,800	\$35,083,600	(\$202,200)	(0.6)
Federal	9,906,100	9,868,400	(37,700)	(0.4)
Local	0	0	0	--
Private	0	0	0	--
Restricted	20,488,300	20,390,800	(97,500)	(0.5)
GF/GP	41,148,400	43,056,000	1,907,600	4.6
Gross	\$106,828,600	\$108,398,800	\$1,570,200	1.5
FTEs	543.4	547.4	4.0	0.7

Notes:

- (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.
- (2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The attorney general serves as legal counsel for state departments, agencies, boards, and commissions, and their officers; brings actions and intervenes in cases on the state's behalf; and represents legislators and judges who may be sued while acting in their official capacities. The attorney general issues opinions on questions of law submitted by members of legislature and others, serves as chief law enforcement officer of the state, issues legal opinions that have the force of law until reversed by legislative or judicial action, and has supervisory powers over all local prosecuting attorneys.

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>	<u>FY 2020-21 Year-to-Date (as of 2/11/21)</u>	<u>FY 2021-22 Enacted Change</u>
1. Clean Slate Criminal Record Expungement Implementation	FTE	NA
Includes \$560,000 GF/GP and authorizes 4.0 FTE positions to support ongoing personnel costs of implementing "Clean Slate" legislation package, 2020 PA 187-193. Additional FTE positions are authorized to handle manual processing of applications to approve or oppose setting aside convictions.	Gross	NA
	GF/GP	4.0
		\$560,000
		\$560,000
2. Address Confidentiality Program	Gross	NA
Includes \$500,000 GF/GP to establish an online system and database to register and safekeep survivors' personal information. The Address Confidentiality Program Act, 2020 PA 301, requires department to create and maintain computerized database containing participants' information within two years of appropriation being made to Confidential Address Fund created in the act for purpose of administering program.	GF/GP	NA
		\$500,000
		\$500,000
3. PACC NextGen Case Management IT System	Gross	\$2,228,500
Includes \$1.1 million of one-time GF/GP funding to complete software development, implementation, and maintenance for Prosecuting Attorneys Coordinating Council's NextGen case management IT system to replace current 30-year old legacy state system. The NextGen system will comply with federal Criminal Justice Information Systems standards, and is intended to enhance information security and improve connectivity among prosecutors and criminal justice stakeholders.	GF/GP	\$2,228,500
		\$1,060,000
		\$1,060,000

GENERAL GOVERNMENT: ATTORNEY GENERAL

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
4. Economic Adjustments	Gross	NA (\$549,800)
Reflects decreased costs of \$549,800 Gross (\$212,400 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA (202,200)
	Federal	NA (37,700)
	Restricted	NA (97,500)
	GF/GP	NA (\$212,400)

Major Boilerplate Changes from FY 2020-21

Sec. 314. Lawsuit Settlement Proceeds Fund – RETAINED (PARTIALLY UNENFORCEABLE)

Allows department to use up to \$2.6 million of lawsuit settlement proceeds for associated expenses with Flint Declaration of Emergency due to drinking water contamination; requires quarterly expenditure report detailing how funds related to Flint Declaration of Emergency were spent by case, purpose, hourly rate of retained attorney, and department involved; caps hourly rate of attorneys retained for investigation at \$250 if reporting requirements are not fulfilled. *(Governor's signing letter states subsection (3) capping hourly rate of attorney retained for investigation is unenforceable.)*

Sec. 320. Lawsuit Settlement Notification and Adherence to State Laws – REVISED

Requires department to notify appropriation chairs and fiscal agencies of lawsuit settlements with fiscal impact to state of \$2.0 million or more; prohibits department from entering a lawsuit that is contrary to state laws; requires department to enforce state laws. Revised to delete statement of legislative intent that any lawsuit settlement by department must take into account cost and tax dollar impact to Michigan taxpayers in settlement negotiation process and to delete prohibition of entering into lawsuit that is contrary to state laws.

Sec. 321. Attorney General Presentation on Federal Lawsuits – REVISED

Requires department to submit notification upon entering lawsuit against federal government and estimated costs for participating in the lawsuit. Revised to require a written report instead of notification and add that report must describe lawsuit's purpose.

Sec. 322. Department Initiatives Quarterly Expenditure Report – REVISED

Requires department to submit quarterly expenditure reports by line item and fund source for the following initiatives and activities: Catholic Church Investigation, Elder Abuse Task Force, Conviction Integrity Unit, Opioid Litigation, Hate Crimes Unit, Michigan State University Investigation, PFAS contamination, Human Trafficking, and Robocall Enforcement. Revised to delete Michigan State University Investigation and add Payroll Fraud Enforcement Unit.

Sec. 323. PACC Case Management System – NEW

Requires Prosecuting Attorneys Coordinating Council to continue to fund replacement of council's case and data management system with funds appropriated for NextGen Case and Document Management System.

Sec. 324. Payroll Fraud Enforcement Unit Report – NEW

Requires department to report on its website on activities and findings of Payroll Fraud Enforcement Unit, including a listing of each complaint received, the unit's finding on validity of each complaint, any enforcement action taken, and what complaints were not subject to action by the department; requires department to request findings of investigations conducted by other departments and agencies to comply with this section.

FY 2020-21 Supplemental Appropriation Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

<u>FY 2020-21 Supplemental Appropriation Items</u> Public Act 82 of 2021 (Senate Bill 82, Article 14)	Appropriation Change
1. Clergy Abuse Document Retention	Gross \$150,000
Includes \$150,000 GF/GP to provide document management and retention services for clergy abuse cases. Funding will be used to review records and electronic files secured by Michigan State Police, in partnership with Attorney General, to investigate allegations made from 1950 to present.	GF/GP \$150,000

FY 2020-21 Supplemental Boilerplate Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

Sec. 401. Clergy Abuse Document Retention

Designates appropriation for Attorney General Operations as work project appropriation; specifies that the purpose of the appropriation is to provide document management services for clergy abuse cases.

**DEPARTMENT OF CIVIL RIGHTS
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 5)**

Analyst: Michael Crossen

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
	\$299,800	\$298,900	(\$900)	(0.3)
Federal	2,868,200	2,850,700	(17,500)	(0.6)
Local	0	0	0	--
Private	18,700	18,700	0	0
Restricted	58,500	58,500	0	0
GF/GP	14,792,200	14,607,300	(184,900)	(1.2)
Gross	\$18,037,400	\$17,834,100	(\$203,300)	(1.1)
FTEs	116.0	115.0	(1.0)	(0.9)

Notes:

- (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.
- (2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, national origin, sex, age, marital status, height, weight, arrest record, or physical and mental disabilities. The commission is directed to "secure the equal protection of such civil rights without such discrimination." The Department of Civil Rights serves as the administrative arm charged with implementing policies of the commission. The department works to prevent discrimination through educational programs that promote voluntary compliance with civil rights laws, investigates and resolves discrimination complaints, disseminates information on the rights and responsibilities of Michigan citizens as provided by law, and provides information and services to businesses on diversity initiatives, equal employment law, procurement opportunities, feasibility studies, and joint venture/strategic alliance matchmaking.

Major Budget Changes from FY 2020-21 YTD Appropriations	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
1. Transfer of Women's Commission to LEO	FTE 2.0	(1.0)
Removes \$366,800 GF/GP and 1.0 FTE position to reflect transfer of Michigan Women's Commission from the department to Department of Labor and Economic Opportunity, as ordered under Executive Order 2020-171, to address concerns about economic security and gender pay equity.	Gross \$3,159,200	(\$366,800)
	GF/GP \$3,159,200	(\$366,800)
2. Discrimination Outreach	Gross NA	\$250,000
Provide \$250,000 GF/GP to conduct outreach efforts to increase public awareness of violent criminal activity primarily motivated by discrimination and ethnic intimidation during COVID-19 pandemic.	GF/GP NA	\$250,000
3. Economic Adjustments	Gross NA	(\$86,500)
Reflects decreased costs of \$86,500 Gross (\$68,100 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG NA	(900)
	Federal NA	(17,500)
	GF/GP NA	(\$68,100)

Major Boilerplate Changes from FY 2020-21

Sec. 412. Discrimination Outreach – NEW

Requires department to conduct outreach efforts to increase public awareness of violent criminal activity primarily motivated by discrimination and ethnic intimidation during COVID-19 pandemic.

**EXECUTIVE OFFICE
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 5)**

Analyst: Ben Gielczyk

	<u>FY 2020-21 YTD as of 2/11/21</u>	<u>FY 2021-22 Enacted</u>	<u>Difference: Enacted From FY 2020-21 YTD Amount</u>	<u>%</u>
IDG/IDT	\$0	\$0	\$0	--
Federal	0	0	0	--
Local	0	0	0	--
Private	0	0	0	--
Restricted	0	0	0	--
GF/GP	7,114,300	7,318,600	204,300	2.9
Gross	\$7,114,300	\$7,318,600	\$204,300	2.9
FTEs	89.2	89.2	0.0	0.0

Notes:

(1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.

(2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Executive Office budget provides funding for the Governor, the Lieutenant Governor, and their staffs. Major constitutionally specified responsibilities include organization and supervision of the Executive branch and annual preparation and submission of the executive budget.

Major Budget Changes from FY 2020-21 YTD Appropriations

1. Executive Office Operations

Reflects increased costs of \$204,300 GF/GP related to Executive Office staff and other operations.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
FTE	89.2	0.0
Gross	\$7,114,300	\$204,300
GF/GP	\$7,114,300	\$204,300

Major Boilerplate Changes from FY 2020-21

There are no major boilerplate changes for FY 2021-22.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 5)

Analyst: Ben Gielczyk

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
	\$0	\$0	\$0	--
Federal	1,138,389,800	1,282,114,800	143,725,000	12.6
Local	10,900,000	10,900,000	0	0.0
Private	11,317,800	11,267,000	(50,800)	(0.4)
Restricted	272,389,100	273,502,700	1,113,600	0.4
GF/GP	251,367,600	496,044,600	244,677,000	97.3
Gross	\$1,684,364,300	\$2,073,829,100	\$389,464,800	23.1
FTEs	2,579.9	2,588.9	9.0	0.3

Notes:

- (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.
- (2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Department of Labor and Economic Opportunity (LEO) engages in economic development; community growth and development; affordable housing, tourism; job creation, retention, and training; and workforce development and preparedness. LEO includes the Michigan Strategic Fund (MSF)/Michigan Economic Development Corporation (MEDC), Bureau of Employment Relations, Bureau of Services for Blind Persons, Michigan Occupational Safety & Health Administration (MIOSHA), Workforce Development, Michigan Rehabilitation Services, Office of Global Michigan, Unemployment Insurance Agency (UIA), Workers' Disability Compensation Agency, State Land Bank, and Michigan State Housing Development Authority (MSHDA).

Major Budget Changes from FY 2020-21 YTD Appropriations	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
1. Michigan Reconnect Program	12.0	0.0
Increases by \$25.0 million Gross (\$50.0 million GF/GP) and retains the authorization of 12.0 FTE positions for the program. Reconnect provides a last-dollar scholarship to individuals over the age of 25 with a high school diploma seeking an associate degree or Pell-eligible skill certificate.	Gross \$30,000,000	\$25,000,000
	Restricted 30,000,000	(25,000,000)
	GF/GP \$0	\$50,000,000
2. Legacy Program - Futures for Frontliners	Gross \$0	\$25,000,000
Includes \$25.0 million of restricted Talent Investment Fund (considered a one-time appropriation) to support existing frontliner population.	Restricted 0	25,000,000
	GF/GP \$0	\$0
3. Reconnect and Futures for Frontliners Wraparound Services	Gross \$0	\$6,000,000
Includes \$6.0 million GF/GP (considered a one-time appropriation) to provide services to single parents participating in the programs. Services could include childcare, personalized advising, tutoring, career counseling, and assistance with transition to a 4-year program.	GF/GP \$0	\$6,000,000
4. Flint Settlement Debt Service	Gross \$0	\$35,000,000
Includes \$35.0 million GF/GP for annual debt service costs associated with anticipated bond issuance pursuant to the Flint Settlement. Payments would continue for the planned 30-year term of the bond issuance.	GF/GP \$0	\$35,000,000

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>			
5. Pure Michigan		Gross \$25,000,000	\$15,000,000
Increases by \$15.0 million Gross for a total Pure Michigan appropriation of \$40.0 million Gross (\$10.0 million GF/GP).	Federal	0	20,000,000
	Local	5,000,000	0
	Private	5,000,000	0
	GF/GP	\$15,000,000	(\$5,000,000)
6. Arts and Culture Grants		Gross \$9,500,000	\$1,500,000
Increases by \$1.5 million GF/GP to augment existing funding for arts and cultural grants to institutions located throughout the state.	Federal	1,050,000	0
	Private	100,000	0
	GF/GP	\$8,350,000	\$1,500,000
7. At-Risk Youth Grants		Gross \$3,750,000	\$1,000,000
Increases by \$1.0 million GF/GP. Grant supports Jobs for Michigan Graduates program.	GF/GP	\$3,750,000	\$1,000,000
8. Michigan Career and Technical Institute Upgrades		Gross \$0	\$23,750,000
Includes \$23.8 million Gross (\$5.0 million GF/GP) (considered a one-time appropriation) for infrastructure improvements, including mechanical, plumbing, and electrical projects at the Michigan Career and Technical Institute.	Federal	0	18,750,000
	GF/GP	\$0	\$5,000,000
9. Reduced Recidivism Employment Supports		Gross \$0	\$660,000
Provides \$660,000 GF/GP (considered a one-time appropriation) to a nonprofit that operates a program that provides services to parolees and probationers assessed by MDOC as moderate or high-risk to recidivate. The program would provide job readiness training, transitional employment, job coaching and placement, and postplacement retention services.	GF/GP	\$0	\$660,000
10. Rural Jobs and Capital Investment Fund		Gross \$1,500,000	\$3,500,000
Increases grant to Rural Jobs and Capital Investment Fund by \$3.5 million GF/GP (considered a one-time appropriation).	GF/GP	\$1,500,000	\$3,500,000
11. Going Pro		Gross \$28,670,700	\$11,329,300
Increases by \$11.3 million GF/GP for a total appropriation of \$40.0 million Gross (\$30.5 million GF/GP). Program primarily funds employer-based training grants. Allocates \$250,000 of total to Helmets to Hardhats program to recruit and assist veterans to transition to apprenticeship programs in this state.	Restricted	9,540,800	0
	GF/GP	\$19,129,900	\$11,329,300
12. Statewide Pre-Apprenticeship Program		Gross \$0	\$8,000,000
Includes \$8.0 million GF/GP (considered a one-time appropriation) with \$5.5 million dedicated to building and construction trades and \$2.5 million dedicated to transportation. Programs are targeted at connecting individuals that are unemployed or underemployed with training and resources to advance careers in the building and construction trades.	GF/GP	\$0	\$8,000,000
13. Training Center Equipment Grants		Gross \$0	\$3,000,000
Includes \$3.0 million GF/GP (considered a one-time appropriation) for equipment grants to qualified training providers for employer-driven workforce training programs. Individual grants are capped at \$90,000.	GF/GP	\$0	\$3,000,000
14. Child Care Facilitator Pilot Project		Gross \$1,000,000	\$1,500,000
Includes \$2.5 million GF/GP (considered a one-time appropriation), and increase of \$1.5 million GF/GP, to continue childcare facilitator pilot project established in FY 2020-21. Program is administered by LEO in consultation with MDE. Program utilizes both state and business support.	GF/GP	\$1,000,000	\$1,500,000

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change	
15. Child Savings Accounts	Gross	\$0	\$2,000,000
Provides \$2.0 million GF/GP (considered a one-time appropriation) to allocate \$1.0 million for grants to organizations that can deploy funds to build child savings account program to improve financial literacy, boost educational attainment for low-income children, and support wealth building in low-income families and \$1.0 million for two pilot programs (rural and urban) where funds are used as matching grants for family contributions or to match philanthropic or community donations to child savings accounts.	GF/GP	\$0	\$2,000,000
16. Poverty Task Force – Research and Planning	Gross	\$0	\$1,000,000
Includes \$1.0 million GF/GP (considered a one-time appropriation) for research and planning that would increase effectiveness of state benefit programs.	GF/GP	\$0	\$1,000,000
17. Focus: HOPE Grant	Gross	\$0	\$1,000,000
Includes \$1.0 million GF/GP (considered a one-time appropriation) for the nonprofit’s workforce, youth development, and community empowerment and advocacy efforts.	GF/GP	\$0	\$1,000,000
18. Graduation Alliance	Gross	\$0	\$1,500,000
Includes \$1.5 million GF/GP to support a grant to Graduation Alliance program. <i>NOTE: In FY 2020-21, Graduation Alliance received \$1.5 million out of the Going Pro line item.</i>	GF/GP	\$0	\$1,500,000
19. Michigan Infrastructure Grants	Gross	\$0	\$48,020,200
Includes \$48.0 million GF/GP (considered a one-time appropriation) to support 25 infrastructure grants throughout the state of Michigan. Section 1095 below delineates funding for each grant.	GF/GP	\$0	\$48,020,200
20. Michigan Enhancement Grants	Gross	\$0	\$146,892,000
Includes \$146.9 million GF/GP (considered a one-time appropriation) to support 175 enhancement grants throughout the state of Michigan. Table 6 attached at the end of the summary delineates funding for each grant.	GF/GP	\$0	\$146,892,000
21. College Degree Enhancement Grant	Gross	\$0	\$1,800,000
Includes \$1.8 million GF/GP (considered a one-time appropriation) to support a hybrid college community partnership pilot program in two counties.	GF/GP	\$0	\$1,800,000
22. Community Revitalization and Placemaking Grants Program	Gross	\$0	\$100,000,000
Includes \$100.0 million of federal Coronavirus State Fiscal Recovery Fund to create and operate a program for the purposes of addressing the impacts of COVID-19 in disproportionately impacted Michigan communities by investing in projects that enable population and tax revenue growth through the rehabilitation of vacant and blighted buildings and historic structures and the development of permanent place-based infrastructure associated with social-zones and traditional downtowns, outdoor dining and place-based public spaces.	Federal	0	100,000,000
	GF/GP	\$0	\$0
23. Construction Career Center Grant	Gross	\$0	\$1,000,000
Includes \$1.0 million GF/GP (considered a one-time appropriation) for a grant to a nonprofit serving as a comprehensive construction career center to support the construction of a comprehensive training facility that will be used to promote outreach, recruitment, and education for the construction trades.	GF/GP	\$0	\$1,000,000

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Major Budget Changes from FY 2020-21 YTD Appropriations			
24. Brownfield Redevelopment Fund Creation and Increase	Gross	\$50,000	\$1,125,000
Includes \$1.1 million Gross (\$0 GF/GP) to support community development projects authorized under 2012 PA 502. Revenues exist from captured brownfield tax increment finance revenue pursuant to the act. Also transfers \$50,000 in restricted fund authorization from special project advances for a total authorization of \$1.2 million.	Restricted	50,000	1,125,000
	GF/GP	\$0	\$0
25. Federal Fund Authorization Increases	Gross	NA	\$13,075,000
Includes the following federal fund appropriation authorization increases to reflect new federal awards:	Federal	NA	13,075,000
<ul style="list-style-type: none"> • \$6.0 million for Michigan Learning and Education Advancement Program (MiLEAP) to help jobseekers transition from education and training to employment through customized training and support • \$4.0 million for Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) to increase the number of low-income students prepared to enter postsecondary education • \$3.1 million for Workforce Development H-1B grants to reflect two new grants to prepare the workforce for middle- to high-skilled positions currently filled by H-1B workers and to connect employers with skilled healthcare workers in rural communities 	GF/GP	NA	\$0
26. State Historic Preservation Office (SHPO)	Gross	NA	\$2,100,000
Includes \$2.1 million Gross (\$0 GF/GP) for office operations. Includes \$1.9 million in federal fund source authorization and \$200,000 in new restricted fees and charges as a result of authorization included in 2020 PA 343 which allowed SHPO to collect fees for the historic tax credit program.	Federal	NA	1,900,000
	Restricted	NA	200,000
	GF/GP	NA	\$0
27. Michigan Women's Commission Transfer from Civil Rights	FTE	0.0	2.0
Includes \$366,800 GF/GP and authorizes 2.0 FTE positions to reflect the transfer of the Michigan Women's Commission from the Department of Civil Rights to the Department of Labor and Economic Opportunity, as ordered under Executive Order 2020-171. The Women's Commission works to address concerns about economic security and gender pay equity. Includes 1.0 FTE as an unclassified position.	Gross	\$0	\$366,800
	GF/GP	\$0	\$366,800
28. Unemployment Insurance Benefits Claim Monitoring	Gross	\$0	\$4,000,000
Includes \$4.0 million GF/GP to support ongoing costs related to unemployment insurance benefit claims monitoring and fraud detection through the use of a third-party service that provides a proprietary identity document capture and verification solution.	GF/GP	\$0	\$4,000,000
29. Unemployment Insurance Agency Staffing	FTE	736.0	500.0
Includes authorization for an additional 500.0 FTE positions to align with increased federal administrative revenues. Up to 500.0 FTE positions were previously authorized for up to 6 months in 2020 PA 123. FTE positions are term-limited and included in boilerplate Section 1077 rather than part 1 appropriations.	Gross	\$299,363,800	\$0
	Federal	276,626,400	0
	Restricted	22,737,400	0
	GF/GP	\$0	\$0
30. Current Services Baseline Technical Adjustments	Gross	NA	\$1,769,000
Includes \$1.8 million Gross (\$78,100 GF/GP) to accommodate technical adjustments related to defined calculations, federal match requirements, and federal and restricted revenue estimates.	Federal	NA	1,680,400
	Restricted	NA	10,500
	GF/GP	NA	\$78,100

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
31. Removal of FY 2020-21 One-Time Appropriations	Gross	\$96,288,800	(\$96,288,800)
Removes funding for the following one-time appropriations:	Federal	10,000,000	(10,000,000)
<ul style="list-style-type: none"> • \$27.8 million GF/GP – Michigan Enhancement Grants • \$10.0 million Federal – Coronavirus Relief Fund Grants • \$3.5 million GF/GP – Michigan Stages Survival Grants • \$55.0 million GF/GP – Small Business Survival Grants 	GF/GP	\$86,288,800	(\$86,288,800)
32. Executive Direction Reorganization	FTE	NA	7.0
Transfers \$1.1 million GF/GP from Workforce Development Programs to Executive Direction and Operations and includes new authorization for 7.0 FTE positions. This request would allow for additional centralized financial staff and flexible funding to support core operations of the department.	Gross	NA	\$0
	GF/GP	NA	\$0
33. Independent Living	Gross	\$15,531,700	\$3,000,000
Includes \$3.0 million GF/GP for additional support for Centers for Independent Living services.	Federal	8,451,600	0
	Private	10,000	0
	GF/GP	\$7,070,100	\$3,000,000
34. Economic Adjustments	Gross	NA	(\$2,133,700)
Reflects net decrease of \$2.1 million Gross (\$180,600 GF/GP). Budgeted increases for salaries and wages (negotiated 2.0% increase on October 1, 2021 and 1.0% on April 1, 2022), and increases related to actuarially required retirement contributions, worker's compensation, and building occupancy charges, were offset by a reduction in calculated contributions for retiree medical benefits.	Federal	NA	(1,680,400)
	Private	NA	(800)
	Restricted	NA	(271,900)
	GF/GP	NA	(\$180,600)

Major Boilerplate Changes from FY 2020-21

DEPARTMENT LABOR AND ECONOMIC OPPORTUNITY (LEO)

Sec. 983. Broadband Bonding Prohibition – RETAINED (UNENFORCEABLE)

Prohibits LEO, the Michigan Strategic Fund (MSF), and the Michigan State House Development Authority (MSHA) from issuing or refinancing bonds or using any funds for broadband construction, expansion, repairs, or upgrades. (Governor's signing letter states section is unenforceable.)

Sec. 989b. UIA Request for Solutions – NEW

Requires LEO to solicit proposals for solution through the state's procurement process by December 1, 2021. The solution must incorporate proven processes that correctly decipher between valid and fraudulent claims and expedite claims for payment.

LEO – MICHIGAN STRATEGIC FUND (MSF)

Sec. 1005a. Pure Michigan Appropriations – REVISED

Requires GF/GP appropriated in part 1 for Pure Michigan to be appropriated for certain specified purposes. Authorizes fund to contract any of the authorized activities. Authorizes fund to work with local units of government, non-profit entities, and private entities on Pure Michigan promotion campaigns. Revises to include match market campaigns funded from local or private promotion funds as an authorized use of general fund appropriations.

Sec. 1005d. Pure Michigan Promotion – NEW

Requires Pure Michigan campaign to prioritize sectors of the economy that were disproportionately impacted by the COVID-19 pandemic.

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

Major Boilerplate Changes from FY 2020-21

Sec. 1009. Land Purchase Provisions – RETAINED (UNENFORCEABLE)

Prohibits MEDC from purchasing land or land options unless the land is in an economically distressed area or purchase is at invitation of local unit of government and economic development agency; authorizes consideration of purchases where proposed use is consistent with a regional land use plan, will result in redeveloping an economically distressed area, can be supported with existing infrastructure, and will not cause population to shift from population centers. If land or options on land are purchased, the section requires a report that lists all properties purchased, all options on land purchased, the location of the land purchased, and the purchase price if the fund purchases options on land or land by March 15. *(Governor's signing letter states section is unenforceable.)*

Sec. 1047. Michigan Enhancement Grants – DELETED

Specifies one-time appropriation in part 1 for Michigan Enhancement Grants shall be awarded to the following: (1) ERecording Commission (\$600,000), (2) Western Upper Peninsula Workforce Development Retirement Shortfall (\$1.1 million), (3) Holy Cross Services (\$1.0 million), (4) Rural Jobs Investment Fund (\$1.5 million), (5) McLaren – Cheboygan (\$3.0 million), (6) McLaren – Greenlawn (\$5.0 million), (7) Michigan Center for Civic Education (\$220,000), (8) Naval Museum Infrastructure Grant (\$200,000), (9) Governor Warner Historic Mansion Renovation (\$85,000), (10) Sloan Museum (\$1.0 million), (11) Langley Covered Bridge (\$750,000), (12) North Flint Food Market (\$506,800), (13) Helmets to Hardhats (\$250,000), (14) United Methodist Community House (\$1.0 million), (15) Michigan Aerospace Manufacturers Association (\$500,000), (16) Pershing High School Military Training (\$300,000), (17) Detroit Public Schools Air Filters (\$250,000), (18) Kent County Youth Sex Offender Diversion Program (\$75,000), (19) Statewide Pre-Apprenticeship Program (\$3.0 million), (20) US 131 Interchange Kalamazoo County Planning and Design (\$1.8 million); (21) UCAN Addiction Recovery (\$200,000), (22) Amity Foundation (\$750,000), (23) Grand Traverse County Railway Improvements (\$500,000), (24) Chippewa County Railway Improvements (\$200,000), (25) Alcona County Railway Improvements (\$300,000), (26) Gaylord/Otsego County Railway Improvements (\$154,000), (27) Arenac County Railway Improvements (\$41,000), (28) Bay County Railway Improvements (\$94,000), (29) Gratiot County Railway Improvements (\$211,000), (30) Forest Road Roundabout (\$1.7 million), (31) Child Care Pilot Project (\$1.0 million), (32) Allegan County Bridge Repairs (\$3.0 million), and (33) Van Andel Institute (\$1.0 million).

Sec. 1052. Coronavirus Relief Fund Grants – DELETED

Specifies one-time appropriation in part 1 for Coronavirus Relief Fund Grants shall be awarded to the following for eligible expenses: (1) Wolverine Human Services (\$2.4 million), Spectrum Human Services (\$1.9 million), Orchard's Children Services (\$81,900), Oakland Family Services (\$77,100), Ennis Center (\$85,800), Hospital UV Air Cleaner Grant Program (\$2.0 million), Michigan Tech COVID Testing Facility (\$400,000), and Rapid COVID Testing (\$3.0 million).

Sec. 1053. Good Jobs for Michigan Appropriation Authority – NEW

Appropriates the funds transferred from the General Fund for deposit into the Good Jobs for Michigan Fund for calculated payments to eligible recipients.

LEO – EMPLOYMENT SERVICES

Sec. 1056. MIOSHA Press Release Limitation – NEW (UNENFORCEABLE)

Prohibits MIOSHA from identifying specific employers by name in communications distributed to the press with respect to violations issued under emergency rules. *(Governor's signing letter states section is unenforceable.)*

LEO – WORKFORCE DEVELOPMENT AND UNEMPLOYMENT

Sec. 1066. Going Pro Administration – REVISED

Requires Going Pro to be administered according to specific guidelines outline in boilerplate. Allows up to \$5.0 million of funds appropriated for Going Pro to be used for matching funds when federal funds requiring a match become available. The intent of the funds is increasing the skill level of employees in skilled trades and to address in-demand talent needs in Michigan. Retains current law and adds subsection that allocates \$250,000 of total to Helmets to Hardhats program to recruit and assist veterans to transition to apprenticeship programs in this state.

Sec. 1067. Going Pro Talent Fund – DELETED

Authorizes funds appropriated for Going Pro in part 1 to be deposited into the Going Pro Talent Fund. States that if the funds are deposited, they are considered available for expenditure under the Going Pro Talent Fund Act.

Sec. 1070. Dropout Support and Career Training Grant – REVISED

Requires \$1.5 million of the funds appropriated for Going Pro to support a pilot program to assist adults over the age of 23 in obtaining high school diplomas and placement in career training programs. Provides requirements to qualify as an eligible program provider. Provides detailed reimbursement rates for certain performance measures. Revises to reference standalone Graduation Alliance line item and not Going Pro.

Major Boilerplate Changes from FY 2020-21

Sec. 1071. Dropout Prevention and Recovery Program for Michigan Youth – REVISED

Requires \$3.8 million from the funds appropriated for At-Risk Youth Grants to be awarded to the Michigan franchise holder of the national Jobs for America's Graduates program. Adds subsection requiring up to \$1.0 million to be allocated to match private contributions to the Jobs for Michigan Graduates program.

Sec. 1073. Michigan Reconnect Grant Program – NEW

Requires part 1 appropriation to be expended according to statutory requirements for Michigan Reconnect grant program.

Sec. 1074. Michigan Reconnect Grant Program – DELETED

Provides requirements for the Michigan Reconnect grant program; requires the department to allocate 10.0 FTE positions for navigators who provide support services and 2.0 FTE positions for oversight and implementation of the program.

Sec. 1074. Unemployment Insurance Agency Expenditure Report – NEW

Requires Unemployment Insurance Agency to provide a report at least quarterly that includes fiscal year-to-date expenditures by division and program unit. Requires report to be transmitted within 30 days of the end of the quarter.

Sec. 1075. Unemployment Insurance Agency Claimants and Trust Fund Reporting – REVISED

Requires the department to provide a monthly report that provides 4-week average number of unique claimants, 4-week average number of eligible claimants with certification, 4-week average number of claims paid, total amount of standard unemployment insurance payments paid for the month, total amount of unemployment insurance tax generated for the quarter, and balance of the Michigan unemployment trust fund at the end of the quarter. Revises to make report quarterly and due within 15 days of the end of the quarter.

Sec. 1077. Unemployment Insurance Agency Branch Offices – NEW

Requires funds appropriated for UIA to be used to staff unemployment insurance agency branch offices for in-person appointments for claimant services.

Sec. 1077a. Unemployment Insurance Agency Term-Limited Employee Authorization – NEW

Authorizes the UIA to hire up to 500.0 term-limited employees or contractors if UIA local offices offer full-time, in-person services by October 1, 2021.

Sec. 1077b. Unemployment Insurance Agency Benefit Claims Monitoring – NEW

Requires funds appropriated in part 1 for Unemployment Insurance Agency Benefit Claims Monitoring to be used to support ongoing costs related to unemployment insurance benefit claims monitoring and fraud detection through the use of a third-party service that provides a proprietary identity document capture and verification solution.

Sec. 1079. Interagency Agreement for TANF Funds – REVISED

Requires LEO to enter into an interagency agreement with DHHS for the use of TANF funds. Requires report on use of TANF funds by LEO. Revises to require LEO to provide reporting on the interagency agreement with DHHS from requiring LEO to extend the interagency agreement.

LEO – ONE-TIME APPROPRIATIONS

Sec. 1094. Legacy Program – Futures for Frontliners – NEW

Requires funds appropriated in part 1 to be used to support the costs of the existing Futures for Frontliners program; specifies eligibility; establishes work project for funds.

Sec. 1094a. Reconnect and Futures for Frontliners Wraparound Services – NEW

Requires funds appropriated in part 1 to be expended by LEO to provide childcare, broadband access, transportation, or other services enrolled in Michigan Reconnect or Futures for Frontliners to remove barriers to employment and improve student success.

Sec. 1094b. Child Care Facilitator Pilot Project – NEW

Requires funds appropriated in part 1 to be used to continue the child care facilitator project originally initiated and funded in section 1047 of Article 5 of 2020 PA 166; requires funds to be used to expand the child care facilitator pilot project to at least two new facilitator hubs; requires new facilitators to be a nonprofit, limited liability company, C-corporation, S-Corporation, or a sole proprietor; caps administration costs at \$100,000.

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

Major Boilerplate Changes from FY 2020-21

Sec. 1094c. Child Savings Accounts – NEW

Requires funds to be expended in partnership with philanthropic and nonprofit organizations to support recommendations of the Michigan Poverty Task Force; authorizes up to \$1.0 million to be allocated as grants to organizations able to demonstrate ability to deploy funds to build child savings account programs to improve financial literacy, boost educational attainment for low-income children, and support wealth building in low-income families; authorizes up to \$1.0 million to support matching grant pilot programs that utilize family contributions, philanthropic, or community donations to child savings accounts with one award to a rural community and one award to an urban community.

Sec. 1094d. Poverty Task Force – Research and Planning – NEW

Requires part 1 appropriation to be used for implementation of the recommendations of the Michigan Poverty Task Force, including conducting research and planning related to the effectiveness of state benefits programs.

Sec. 1094e. Focus: HOPE Grant – NEW

Permits part 1 appropriation to be awarded for education and workforce development programming, early childhood education, youth development, food assistance, or community empowerment and advocacy.

Sec. 1094f. Statewide Pre-Apprenticeship Program – NEW

Requires funds appropriated in part 1 for the Statewide Pre-Apprenticeship Program to be awarded to a nonprofit with demonstrated effectiveness in the administration of an apprenticeship readiness program that increases the state's building trades and construction and transportation sector talent pool; requires program to enroll Michigan residents with the goal of achieving employment in the building trades and construction and transportation industry; requires program to prioritize economically distressed communities and target residents from underrepresented populations.

Sec. 1094g. Workforce Training Equipment Grants – NEW

Requires funds appropriated in part 1 to be used by the Michigan Strategic Fund to create a grant program to provide equipment grants to qualified training providers for employer-driven workforce training programs provided to a qualified training provider that provides workforce training for employers and individuals; defines workforce training; requires funds to be distributed consistent with the small business grants distributed in 2020 PA 123; defines qualified employer and qualified training provider; caps grants at \$90,000; requires funds not awarded by January 31, 2022 to revert to the Michigan Strategic Fund for redistribution; requires report.

Sec. 1094h. Rural Jobs and Capital Investment Fund – NEW

Requires funds appropriated in part 1 to be deposited in the Rural Jobs and Capital Investment Fund. States that funds in the Rural Jobs and Capital Investment Fund are appropriated and available for expenditure pursuant to statute.

Sec. 1094i. Michigan Career and Technical Institute – NEW

Requires funds appropriated in part 1 to be awarded for critical infrastructure improvements, including mechanical, plumbing, and electrical projects at the Michigan Career and Technical Institute associated with Michigan Rehabilitation Services.

Sec. 1094j. Reduced Recidivism Employment Supports – NEW

Requires funds appropriated in part 1 to be awarded to a nonprofit that provides services to parolees and probationers assessed by MDOC as moderate or high-risk to recidivate. The program would provide job readiness training, transitional employment, job coaching and placement, and postplacement retention services.

Sec. 1094k. Construction Career Center Grant – NEW

Requires funds appropriated in part 1 to be awarded to a non-profit serving as a comprehensive construction career center (West Michigan Construction Institute) offering outreach, recruitment, and education for individuals pursuing a career in construction, and for those already in the field. The funds must be used for the construction of a comprehensive training and education facility that will be utilized to promote outreach, recruitment, and education.

Sec. 1094l. College Degree Enhancement Grant – NEW

Requires funds appropriated in part 1 to be awarded to a private, non-profit (Diploma Equity Project) that works collaboratively with K-12, higher education, and other community partners to develop and operate a hybrid college community partnership pilot program in two Michigan counties.

Major Boilerplate Changes from FY 2020-21

Sec. 1094m. Community Revitalization and Placemaking Grants Program – NEW

Requires funds appropriated in part 1 to be used by the Michigan Strategic Fund to create and operate the Community Revitalization and Placemaking Grants program for the purpose of addressing the impacts of COVID-19 in disproportionately impacted Michigan communities by investing in projects that enable population and tax revenue growth through the rehabilitation of vacant and blighted buildings and historic structures and the development of permanent place-based infrastructure associated with social-zones and traditional downtowns, outdoor dining and placed-based public spaces. Requires MSF to work with local economic development organizations and to make efforts to accomplish broad geographic distribution of funds awarded. Requires report and establishes work project for appropriations.

Sec. 1095. Michigan Infrastructure Grants – NEW

Allocates \$48.0 million in Michigan Infrastructure Grants to the following: (1) Livonia flooding - \$1.0 million; (2) US-131 road project - \$3.0 million; (3) Michigan International Tech Center Brownfield project - \$1.0 million; (4) Gladwin drain project - \$2.0 million; (5) McLaren Rd. project/Macomb-Groesbeck Rd. – hospital entrance - \$3.0 million; (6) Lake State Line railroad projects - \$1.1 million; (7) Bay County Road Commission Project - \$2.5 million; (8) Houghton County Road Commission flood recovery project - \$2.3 million; (9) City of Houghton flood recovery project - \$320,200; (10) City of Hancock flood recovery project - \$235,000; (11) Briggs Dam and Walkway renovation and remediation - \$850,000; (12) Shanty Creek road project - \$2.0 million; (13) Coal Dock – Mackinac Island - \$1.5 million; (14) Barry/Allen road renovation - \$951,000; (15) Michigan Sugar – South Euclid redesign - \$2.5 million; (16) Farwell Mill Pond - \$3.5 million; (17) Cascades dredging - \$1.0 million; (18) East-West Connection Tunnel – City of Adrian - \$3.5 million; (19) Kingsley water line replacement - \$1.5 million; (20) Secor Road project - \$2.0 million; (21) Mission Road project – Mt. Pleasant - \$1.5 million; (22) Traffic light infrastructure Mt. Pleasant (Bradley/Pickard) - \$200,000; (23) Wealthy St./US-131 road project - \$10.0 million; (24) Local bridge/rail study – Manistee Lake Rail - \$400,000; (25) Cheese Factory Road project – St. Johns - \$150,000.

Sec. 1096. Michigan Enhancement Grants – NEW

Requires funds appropriated in part 1 for Michigan Enhancement Grants to be distributed as indicated in the attached Table 6.

Sec. 1097. Michigan Enhancement Grants Grant Agreements – REVISED

Requires MSF to execute a grant agreement with certain requirements for each Michigan Enhancement Grant awarded; requires quarterly updates on grant status; requires recipients to respond to reasonable requests. Revises to include reference to Michigan Infrastructure Grants (Note: previously included as Section 1048).

FY 2020-21 Supplemental Appropriation Items
Public Act 87 of 2021 (Senate Bill 82, Article 14)

	Appropriation Change	
1. Homeowner Assistance Fund	Gross	\$121,406,200
Includes \$121.4 million in federal ARPA funding to be allocated for programs to protect housing for individuals and families struggling to maintain their housing. Funding would be used for the following: mortgage payment assistance; financial assistance to allow a homeowner to reinstate a mortgage related to a period of forbearance, delinquency, or default; utilities including electric, gas, and water; internet service and broadband; homeowner’s and condominium association fees; and delinquent property taxes.	Federal	121,406,200
	GF/GP	\$0
2. National Community Service - AmeriCorps	Gross	\$11,000,000
Includes \$11.0 million in federal ARPA funding to be allocated to the Michigan Community Service Commission. Funding would be used for assisting schools with safely reopening, tackling the growing hunger crisis, and helping communities across the state address other challenges brought on by the COVID-19 pandemic.	Federal	11,000,000
	GF/GP	\$0
3. Disaster Relief	Gross	\$58,400
Includes \$58,400 GF/GP to cover costs from disaster flooding that occurred in 2019 in Ionia County, specifically the cities of Belding and Portland. These costs have not been reimbursed from other sources.	GF/GP	\$58,400

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

FY 2020-21 Supplemental Appropriation Items
Public Act 87 of 2021 (Senate Bill 82, Article 14)

4. Unemployment Insurance Agency

Includes \$40.0 million in federal above-base administrative funding to support ongoing administration of the Unemployment Insurance Agency as it continues to administer multiple unemployment programs, increased unemployment claims activity, and increased workloads resulting from the COVID-19 pandemic.

	Appropriation Change
Gross	\$40,000,000
Federal	40,000,000
GF/GP	\$0

5. Unemployment Compensation Fund Deposit

Includes \$150.0 million in federal Coronavirus State Fiscal Recovery Funds to be deposited into the Unemployment Compensation Fund.

Gross	\$150,000,000
Federal	150,000,000
GF/GP	\$0

FY 2020-21 Supplemental Boilerplate Items
Public Act 87 of 2021 (Senate Bill 82, Article 14)

Sec. 701. Homeowner Assistance Fund

Authorizes providing funds to eligible entities for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners; requires LEO to collaborate with MSHDA, financial institutions, and non-profits; requires Homeowners Assistance Fund to operate in accordance with rules and guidance published by the U.S. Department of Treasury; designates appropriation for Homeowner Assistance Fund as a work project appropriation; specifies that the purpose of the appropriation is to create an emergency foreclosure assistance program, which includes payment of any mortgage delinquency, payment of delinquent property taxes, and assistance with past due utility expenses, to include electric, gas, water and broadband/internet services, for households impacted by COVID-19, as well as associated administrative expenses.

Sec. 702. National Community Service - AmeriCorps

Designates appropriation for National Community Service - AmeriCorps as a work project appropriation; specifies that the purpose of the appropriation is to increase the number of service participants and make targeted investments in COVID-19 response and recovery strategies.

Sec. 703. Unemployment Insurance Agency

Designates appropriation for Unemployment Insurance Agency as a work project appropriation; specifies that the purpose of the appropriation is to support ongoing administration of the Unemployment Insurance Agency.

Sec. 704. Additional Staffing to Administer Housing Programs

Authorizes MSHDA to increase staffing capacity by 58.0 limited term FTE positions to administer housing programs authorized in the American Rescue Plan Act.

Sec. 705. Disaster Relief

Allocates \$56,000 of the appropriation to the City of Portland and \$2,400 to the City of Belding to cover costs from disaster flooding that occurred in 2019 that have not been reimbursed from other sources; designates appropriation for disaster relief as a work project appropriation.

Sec. 706. Unemployment Insurance Compensation Fund

Requires appropriation to be deposited in the Unemployment Compensation Fund for the purpose of offsetting expected exposure to state fraud and improper payment during the COVID-19 crisis.

LEGISLATURE
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 5)

Analyst: Ben Gielczyk

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
	\$0	\$0	\$0	--
Federal	0	0	0	--
Local	0	0	0	--
Private	400,000	406,000	6,000	1.5
Restricted	4,637,300	4,706,800	69,500	1.5
GF/GP	170,702,600	181,535,400	10,832,800	6.3
Gross	\$175,739,900	\$186,648,200	\$10,908,300	6.2

Notes:

(1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.

(2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

This budget provides funding for the Legislative branch of state government, including the Legislative Council and agencies it governs, the Legislative Retirement System, and Property Management. The Legislature enacts the laws of Michigan, levies taxes, and appropriates funding from revenue collected for the support of public institutions and the administration of the affairs of state government. The Legislative Council provides a wide variety of essential services to members and staff of the Legislature. The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the Legislature and their spouses, dependents, survivors, and beneficiaries. Property Management employees maintain, operate, and repair the Cora Anderson House of Representatives Office Building and Binsfield Senate Office Building. The Michigan State Capitol Historic Site includes the Capitol Building, its grounds and parking lot, and the Michigan State Capitol Commission.

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>	<u>FY 2020-21 Year-to-Date (as of 2/11/21)</u>	<u>FY 2021-22 Enacted Change</u>
1. Legislative Operations Adjustment	Gross	\$172,250,500
Reflects increased costs of \$3.1 million Gross (\$3.0 million GF/GP) related to legislative staff and other operations.	Private	400,000
	Restricted	4,637,300
	GF/GP	\$167,213,200
		\$3,027,600
2. Census Tracking	Gross	\$340,000
Removes \$340,000 GF/GP that supported one-time costs related to equipment, supplies, and services needed for tracking and reporting census and reapportionment information for the state of Michigan.	GF/GP	\$340,000
		(\$340,000)
3. Legislative IT Design Special Project	Gross	\$0
Includes \$8.2 million GF/GP to support phase two of the legislative information technology system upgrade project.	GF/GP	\$0
		\$8,185,700
4. Independent Citizens Redistricting Commission	Gross	\$3,149,400
Reduces by \$40,500 GF/GP to reflect constitutionally required appropriation. The Michigan Constitution requires the appropriation of an amount equal to not less than 25% of the GF/GP budget for the Secretary of State for Independent Citizens Redistricting Commission operations.	GF/GP	\$3,149,400
		(\$40,500)

GENERAL GOVERNMENT: LEGISLATURE

Major Boilerplate Changes from FY 2020-21

Sec. 613. Senate Census Tracking/Reapportionment Work Project – DELETED

Provides that funds appropriated in part 1 are work project appropriations; the purpose of the funds is to purchase equipment, supplies, and services needed for tracking and reporting census and reapportionment information for the state of Michigan; estimated cost of the project is \$170,000; tentative completion date is September 30, 2025.

Sec. 614. House of Representatives Census Tracking/Reapportionment Work Project – DELETED

Provides that funds appropriated in part 1 are work project appropriations; the purpose of the funds is to purchase equipment, supplies, and services needed for tracking and reporting census and reapportionment information for the state of Michigan; estimated cost of the project is \$170,000; tentative completion date is September 30, 2025.

Sec. 618. Legislative IT Design Special Project Work Project – NEW

Establishes work project status for funds appropriated in part 1 for the legislative IT design special project.

LEGISLATIVE AUDITOR GENERAL
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 5)

Analyst: Ben Gielczyk

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
IDG/IDT	\$6,250,400	\$6,345,200	\$94,800	1.5
Federal	0	0	0	--
Local	0	0	0	--
Private	0	0	0	--
Restricted	2,139,500	2,170,500	31,000	1.4
GF/GP	18,324,000	18,598,900	274,900	1.5
Gross	\$26,713,900	\$27,114,600	\$400,700	1.5

Notes:

- (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.
- (2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Legislative Auditor General is responsible for conducting post financial and performance audits of state government operations. Audit reports provide a continuing flow of information to assist the Legislature in its oversight of approximately 100 individual state funds. Audit reports provide citizens with a measure of accountability and assist state departments and agencies in improving financial management of their operations. The goal of the Legislative Auditor General is to improve accounting and financial reporting practices and promote effectiveness, efficiency, and economy in state government. The mission is to improve the accountability of public funds and to improve the operations of state government for the benefit of the citizens of the state.

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
1. Auditor General Operations Increase	Gross \$26,713,900	\$400,700
Reflects increased costs of \$400,700 Gross (\$274,900 GF/GP) related to Auditor General Staff and other operations.	IDG 6,250,400	94,800
	Restricted 2,139,500	31,000
	GF/GP \$18,324,000	\$274,900

Major Boilerplate Changes from FY 2020-21

Sec. 624. Authorization to Charge and Collect Fees for Subsequent Audit – RETAINED (UNENFORCEABLE)

Authorizes the Auditor General to charge and collect fees for a subsequent audit conducted pursuant to Section 229. States that fees and charges may not exceed cost of audit. Provides for expenditure of funds. (Governor's signing letter states section is unenforceable.)

Sec. 625. Access to Confidential Information – REVISED (UNENFORCEABLE)

Specifies legislative intent that the Auditor General be authorized to access and examine confidential information of each branch, department, office, board, commission, agency, authority, and institution of the state subject to the same duty of confidentiality imposed by law on the entity providing the confidential information. Revises by removing intent language and states that the Auditor General shall not be denied access to examine confidential information; subjects them to the same duty of confidentiality imposed by law on the entity providing the information. (Governor's signing letter states section is unenforceable.)

GENERAL GOVERNMENT: LEGISLATIVE AUDITOR GENERAL

Major Boilerplate Changes from FY 2020-21

Sec. 627. Operations Work Project Language – REVISED

Provides work project authorization for unexpended funds related to Field Operations. The purpose of the work project is to conduct the state of Michigan Comprehensive Annual Financial Report. Revises to “Michigan Annual Comprehensive Financial Report” and includes contract audits as an eligible use to accomplish work project.

DEPARTMENT OF STATE
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 5)

Analyst: Michael Crossen

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
IDG/IDT	\$20,000,000	\$20,000,000	\$0	0.0
Federal	1,460,000	1,460,000	0	0.0
Local	0	0	0	--
Private	50,100	50,100	0	0.0
Restricted	220,189,900	218,218,600	(1,971,300)	(0.9)
GF/GP	12,597,500	12,435,600	(161,900)	(1.3)
Gross	\$254,297,500	\$252,164,300	(\$2,133,200)	(0.8)
FTEs	1,592.0	1,592.0	0.0	0.0

Notes:

- (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.
- (2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Department of State (DOS) is the oldest department in Michigan state government. It is administered by the secretary of state, an elected official who serves a four-year term of office and has constitutional and statutory duties. Services provided by the department include registering and titling automobiles, watercraft, and recreational vehicles; regulating automobile dealers and repair facilities; registering voters and administering elections; and streamlining the collection of revenue. The department operates programs designed to enhance driver safety, protect automotive consumers, and ensure the integrity of both the motor vehicle administration system and the statewide elections process.

Major Budget Changes from FY 2020-21 YTD Appropriations

1. Motorcycle Safety Fund

Authorizes an additional \$300,000 in state restricted Motorcycle Safety Fund revenue to reflect an increase in an earmark to the fund from motorcycle registration fees authorized under 2017 PA 115. Revenue from fund supports grants to local governments and schools for motorcycle safety training.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Gross	\$1,800,000	\$300,000
Federal	300,000	0
Restricted	1,500,000	300,000
GF/GP	\$0	\$0

2. Reinstatement Fee Reduction

Reduces \$1.2 million from state restricted Reinstatement Fee revenue to reflect an anticipated decrease in revenue from driver reinstatement fees following the elimination of driver responsibility fees and other criminal justice reform legislation.

Gross	\$4,704,300	(\$1,204,300)
Restricted	4,704,300	(1,204,300)
GF/GP	\$0	\$0

GENERAL GOVERNMENT: STATE (DEPARTMENT)

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
3. Transportation Administration Support Fund	Gross	NA
Provides \$18.0 million state restricted from Transportation Administration Support Fund created in Treasury to support expenses related to vehicle and driver services and reduces corresponding amounts of Transportation Administration Collection Fund authorization, resulting in net \$0 Gross change. The funding shift is distributed as follows:	Restricted	NA
	GF/GP	NA
		\$0
		0
		\$0
<ul style="list-style-type: none"> • \$437,400 for Executive Direction • \$2.5 million for department Operations • \$1.0 million for Property Management • \$8,200 for Worker's Compensation • \$1.4 million for Legal Services • \$5.2 million for Branch Operations • \$3.2 million for Central Operations • \$4.2 million for Information Technology Services and Projects. 		
4. Economic Adjustments	Gross	NA
Reflects decreased costs of \$1.2 million Gross (\$161,900 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Restricted	NA
	GF/GP	NA
		(\$1,228,900)
		(1,067,000)
		(\$161,900)

Major Boilerplate Changes from FY 2020-21

Sec. 703a. Bulk Records Sales – NEW

Authorizes department to contract for sale of lists of driver and motor vehicle records and other records maintained under Michigan Vehicle Code in bulk, in addition to those lists distributed at cost or at no cost under this section for purposes permitted by and described in section 208c(3) of the Michigan Vehicle Code.

Sec. 714. Branch Office Closings or Consolidations – RETAINED (UNENFORCEABLE)

Requires legislature to be notified in writing at least 180 days prior to closing branch office or 60 days prior to relocating branch outside of its current local unit of government; notification to include analyses of branch transactions and revenue, citizen impact, and savings and costs. *(Governor's signing letter states this section is unenforceable.)*

Sec. 717. Accept Gifts to Support Department Activities – REVISED

Authorizes department to accept non-monetary gifts to support licensing, regulation, and safety functions; prohibits acceptance if conditioned on future state spending; requires report. Revised to add that gifts and donations must be of de minimis value with exception of motorcycle donations.

Sec. 718. Full-Time, Walk-In Branch Office Services – NEW (UNENFORCEABLE)

Requires department to maintain "adequate in-person services" as defined in Michigan Vehicle Code, MCL 257.1a., which gives meaning as providing in-person service options, without requirement of advance appointment, on each day and at each location a secretary of state branch office is open for services in this state. *(Governor's signing letter states this section is unenforceable.)*

Sec. 719. High School Voting Machines – DELETED

Requires department to make available at least 1 voting machine to at least 1 high school per Michigan Prosperity Region for familiarizing students with voting procedures; requires machines to be made available at no cost to the high school or school district in which machine is placed.

Sec. 720. Election Mailings – NEW

Requires secretary of state, except for under certain conditions, to notify speaker of the house, senate majority leader, and relevant local government clerks of any election-related mailing to 20 percent or more of registered voters in any voting precinct and a copy of planned mailing not later than 14 days before sending mailing.

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 5)

Analyst: Michael Cnossen

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
	\$1,024,720,900	\$1,057,210,900	\$32,490,000	3.2
Federal	8,389,300	5,129,800	(3,259,500)	(38.9)
Local	2,337,700	2,328,700	(9,000)	(0.4)
Private	134,600	134,700	100	0.1
Restricted	123,046,400	121,020,600	(2,025,800)	(1.6)
GF/GP	516,326,100	516,045,100	(281,000)	(0.1)
Gross	\$1,674,955,000	\$1,701,869,800	\$26,914,800	1.6
FTEs	3,139.0	3,147.0	8.0	0.3

Notes:

- (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.
- (2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Department of Technology, Management, and Budget (DTMB) is the centralized service agency for the executive branch. Its responsibilities include information technology services and project support for state departments and agencies; state facility and lease management; the state motor vehicle fleet; state purchasing and procurement; state retirement systems; internal audit; state budget development and monitoring; and state accounting and financial control systems. Autonomous units within DTMB include the following: State Budget Office, Office of the State Employer, Civil Service Commission, Office of Retirement Services, State Administrative Board, and the Office of Children's Ombudsman.

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		<u>FY 2020-21 Year-to-Date (as of 2/11/21)</u>	<u>FY 2021-22 Enacted Change</u>
1. Advanced Persistent Cyber Security Threats	Gross	NA	\$20,000,000
Provides \$20.0 million in one-time GF/GP funding to invest in variety of tools and measures, such as emergency response, threat intelligence, and vulnerability assessments, to enhance Michigan's cyber security defense capabilities against persistent and sophisticated threats from hostile countries and actors.	GF/GP	NA	\$20,000,000
2. Information Technology Investment Fund (ITIF)	Gross	\$32,500,000	\$17,500,000
Provides \$17.5 million GF/GP (\$15.0 million one-time) for department's portfolio of information technology legacy system modernization projects for total funding amount of \$50.0 million GF/GP in FY 2021-22 to support 8 new projects.	GF/GP	\$32,500,000	\$17,500,000
3. Energy Efficiency Revolving Fund	Gross	NA	\$5,000,000
Provides \$5.0 million in one-time GF/GP funding to capitalize a fund for providing up-front financing for projects at state facilities that achieve energy efficiency or renewable energy; will allow for the re-investment of resources in new projects on continual basis to establish long-term funding aimed at reducing state's carbon footprint.	GF/GP	NA	\$5,000,000
4. Legal Services	Gross	NA	\$12,300,000
Provides \$12.3 million in one-time GF/GP funding to support various potential future litigation costs on major statewide issues not unique to a single agency. Funding in prior years has been supported with balances in work project accounts, the last of which will expire in FY 2020-21.	GF/GP	NA	\$12,300,000

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>			
5. SIGMA Data Storage	Gross	NA	\$1,650,000
Provides \$1.7 million GF/GP to support ongoing operational costs related to data storage for SIGMA, the state's centralized accounting and enterprise resource planning tool. These ongoing costs are currently supported from work project funding authorized for SIGMA implementation which will expire this year.	GF/GP	NA	\$1,650,000
6. Office of the Children's Ombudsman	FTE	14.0	0.0
Provides \$200,000 GF/GP to fill vacant position and support ongoing costs for office's computerized complaint system to address findings of a 2019 performance audit by Office of the Auditor General. Initial funding of \$100,000 GF/GP is being requested in FY 2020-21 to integrate Complaint Investigation System with MiSACWIS and Michigan Vital Records System in an effort to improve state's child welfare system.	Gross	\$1,931,400	\$200,000
	GF/GP	\$1,931,400	\$200,000
7. Veterans Homes Accounting Services	FTE	165.5	8.0
Authorizes receipt of \$1.1 million in IDG funding from Department of Military and Veterans Affairs and 8.0 FTE positions to increase accounting and financial services for Michigan Veterans Homes.	Gross	\$25,279,200	\$1,051,900
	IDG	14,750,800	1,051,900
	Restricted	5,042,700	0
	GF/GP	\$5,485,700	\$0
8. Public Safety Officer Survivor Benefits	Gross	NA	\$43,000
Provides \$43,000 GF/GP to support costs of providing up to five years of health care insurance for surviving spouses and dependents of public safety officers, who have died in the line of duty, in accordance with 2016 PA 284.	GF/GP	NA	\$43,000
9. Defined Contribution Deferred Compensation Funding	Gross	\$25,451,200	\$400,000
Provides \$400,000 in state restricted Deferred Compensation revenue to support services associated with administering state's Defined Contribution plans.	Restricted	25,374,200	400,000
	GF/GP	\$77,000	\$0
10. MPSCS Police Radio Leases	Gross	\$48,505,600	\$157,500
Reflects transfer of \$157,500 GF/GP from Michigan State Police (MSP) to Michigan Public Safety Communication System (MPSCS) to support radio leases for MSP and other public safety agencies.	Local	2,281,500	0
	GF/GP	\$46,224,100	\$157,500
11. FY 2021-22 IT IDG Baseline Adjustment	Gross	NA	\$33,138,500
Authorizes \$33.1 million in IDG funding to reflect projects and service adjustments in other executive department and agency budgets, administrative cost allocation changes, and IT budgetary requests made by departments and agencies. Technology Service appropriation lines are prorated by department based on their total IT budget.	IDG	NA	33,138,500
	GF/GP	NA	\$0
12. State Police Retirement System Supplemental Payments	Gross	\$77,000	(\$27,000)
Reduces supplemental payments by \$27,000 GF/GP as required by 2015 PA 168 to produce an annual retirement allowance of \$16,000 to each retiree or beneficiary.	GF/GP	\$77,000	(\$27,000)
13. Removal of Current Year One-Time Funding	Gross	\$56,855,000	(\$71,855,000)
Eliminates \$71.9 million Gross (\$66.5 million GF/GP) of one-time funding appropriated in FY 2020-21:	Federal	3,250,000	(3,250,000)
<ul style="list-style-type: none"> \$37.2 million for Venture Michigan II voucher purchase \$15.0 million for state psychiatric hospital maintenance projects \$14.3 million for statewide broadband \$2.1 million in state restricted funding for retirement services Customer Relationship Management system replacement \$3.3 million in federal funds for the COVID-19 Office of Accountability. 	Restricted	2,100,000	(2,100,000)
	GF/GP	\$51,505,000	(\$66,505,000)

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
14. SWCAP Adjustment	Gross	NA	\$0
Reallocates fund sourcing associated with annual Statewide Cost Allocation Plan (SWCAP) for a net change of \$0 Gross and decrease of \$212,600 GF/GP.	IDG	NA	10,600
	Restricted	NA	202,000
	GF/GP	NA	(\$212,600)
15. Business Incentive Study	Gross	NA	\$1,000,000
Provides \$1.0 million GF/GP to implement Economic Development Incentive Evaluation Act (2018 PA 540) which requires department to contract with a private entity, nonprofit entity, or academic institution for evaluation of economic development incentives.	GF/GP	NA	\$1,000,000
16. Vendor Data Tracking	Gross	NA	\$300,000
Includes \$300,000 GF/GP to support continuation of subscription for supplier risk and information tracking system used for a pre-contract risk assessment program.	GF/GP	NA	\$300,000
17. Budget and Financial Management	Gross	\$36,927,200	\$2,500,000
Includes \$2.5 million for added budgetary and accounting support in State Budget Office and Office of Financial Management.	IDG	509,400	0
	Private	134,600	0
	Restricted	10,402,100	0
	GF/GP	\$25,881,100	\$2,500,000
18. State Facilities Security	Gross	\$94,123,600	\$1,500,000
Includes \$1.5 million to support additional costs associated with providing security services at DTMB-owned and managed facilities for ongoing security.	IDG	94,123,600	0
	GF/GP	\$0	\$1,500,000
19. Statewide PPE Stockpile Procurement	Gross	NA	\$1,000,000
Includes \$1.0 million to support costs associated with contracting for purchase of personal protective equipment (PPE) to establish state-managed PPE reserve.	GF/GP	NA	\$1,000,000
20. Michigan-Indiana Border Survey	Gross	NA	\$500,000
Includes \$500,000 to conduct study and cost assessment of administration and remonumentation of Michigan-Indiana border.	GF/GP	NA	\$500,000
21. State Innovation Waiver Actuarial Study	Gross	NA	\$250,000
Includes \$250,000 to contract with actuarial firm to conduct a study to support the needs of pursuing state innovation waiver under Patient Protection and Affordable Care Act.	GF/GP	NA	\$250,000
22. Longitudinal Data System	Gross	NA	\$2,750,000
Includes \$2.8 million for development of data system under Bureau of Labor Market Information and Strategies that collects ongoing data on the state's workforce to better develop the state's workforce and to connect employers with skilled employees.	GF/GP	NA	\$2,750,000
23. Economic Adjustments	Gross	NA	(\$2,444,100)
Reflects decreased costs of \$2.4 million Gross (\$186,900 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	(1,711,000)
	Federal	NA	(9,500)
	Local	NA	(9,000)
	Private	NA	100
	Restricted	NA	(527,800)
	GF/GP	NA	(\$186,900)

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

Major Boilerplate Changes from FY 2020-21

Sec. 803. Statewide Administrative and Support Services – REVISED

Provides for receipt and expenditure of funds for various administrative and support services provided to state departments and agencies. Revised to include project oversight among services authorized for receipt and expenditure of funds, include universities and community colleges among entities that may receive support services, and authorize unexpended fee revenue collected to carry forward at close of the fiscal year.

Sec. 816. Privatization RFPs – RETAINED (UNENFORCEABLE)

Requires RFP issued for purpose of privatization to include all factors to be used in evaluating and determining price. *(Governor's signing letter states this section is unenforceable.)*

Sec. 826. Definition of Information Technology Services – REVISED

Defines "information technology services" as services involving all aspects of managing and processing information, including certain IT management and support items and services. Revised to replace server management with cloud services support and management including infrastructure, platform, and software as a service; replaces planning and budget management with procurement and contract management.

Sec. 828. IT-Related Appropriations and Expenditures – REVISED

Requires detailed quarterly report on funding and expenditures for IT services and projects. Revised to require report for the first and third quarter and extends time permitted to submit report from 30 to 45 calendar days after each fiscal quarter.

Sec. 836. Information Technology Investment Fund Purpose – DELETED

Requires funds appropriated for Information Technology Investment Fund to be used for modernization of state IT systems and integrate state system interfaces to improve customer service.

Sec. 836. RFI for UIA Information System Rebid – NEW (UNENFORCEABLE)

Requires department to use third-party vendor to compile business requirements to be incorporated into the RFP for rebid of unemployment insurance benefits system. *(Governor's signing letter states this section is unenforceable.)*

Sec. 838. Performance Targets in State Procurement Contracts – DELETED

Requires department to develop policies and procedures that will require all new procurement contracts to include performance-related liquidated damages or performance targets with incentives.

Sec. 838. Solar Energy Projects Selection Process – NEW

Authorizes requests for proposals or other arrangements for installation of solar energy projects at state-owned or leased facilities to consider the value of the lifecycle carbon emissions in manufacturing of solar equipment as part of selection process; requires DTMB to report on implementation of this section.

Sec. 841. Connecting Michigan Communities Broadband Expansion Grants – DELETED

Requires funds to be awarded as grants to areas underserved by broadband internet providers; prohibits awarding of grants for use in areas that have received funding assistance for broadband; prohibits awarding of grants to public entities for establishing a broadband network; prohibits awarding more than \$5.0 million to any one project or applicant; requires a competitive selection process for awarding of grants; provides criteria and priorities for determining award selection; lists information required on grant applications; requires DTMB to post award notifications with information on each grant on its website; establishes criteria for delineation of unserved areas within census blocks; requires grant recipients to submit reports including details on expenditures, service benchmarks, and project progress.

Sec. 863. Capital Outlay Rental Increase Approval – NEW (UNENFORCEABLE)

Requires proposed new or renewal rental spaces or facilities for which the annual base cost is more than \$500,000 to receive approval from the Joint Capital Outlay Subcommittee (JCOS) prior to being approved by the State Administrative Board; waives JCOS approval in emergency situations and requires department to notify JCOS within 5 days after executing agreement. *(Governor's signing letter states this section is unenforceable.)*

Sec. 863a. State Building Occupancy and Use Report – NEW

Requires DTMB to submit a report which evaluates office building and space usage by all state departments and develop a projection for future building occupancy; lists additional report requirements including projections of amounts of state-owned and leased buildings, comparisons of past occupancy levels with projected levels, plan for building occupancy efficiency, and projected costs to complete space optimization plan.

Major Boilerplate Changes from FY 2020-21

Sec. 890. Energy Efficiency Revolving Fund – NEW

Creates Green Revolving Fund within Treasury; authorizes Treasury to receive money or other assets for deposit into fund and to credit interest and earnings into the fund; provides carry-forward authorization for unexpended funds at close of fiscal year; states that funds appropriated for Energy Efficiency Revolving Fund are deposited into the fund; describes department’s responsibilities in administering the fund; directs money saved by projects from the fund to be deposited to the fund and appropriates those funds; requires an annual report that includes a list of all funded projects and savings realized from those projects.

Sec. 891. Business Incentive Study – NEW

Requires one-time appropriated funds for Business Incentive Study to be used to implement Economic Development Incentive Evaluation Act (2018 PA 540).

Sec. 892. Michigan-Indiana Border Survey – NEW

Requires one-time appropriated funds for Michigan-Indiana Border Survey to be used to conduct a study and cost assessment of administration and remonumentation of Michigan-Indiana border; provides list of costs that must be estimated.

Sec. 893. State Innovation Waiver Actuarial Study – NEW

Requires DTMB to contract with actuarial firm to conduct study that would support information needs of pursuing a state innovation waiver under Patient Protection and Affordable Care Act; lists requirements for proposed state waiver that information from study must be able to show; requires study to produce economic analysis regarding impact of waiver on health insurance coverage in Michigan.

Sec. 894. Statewide PPE Stockpile Procurement – NEW

Requires one-time appropriated funds for Michigan-Indiana Border Survey to be used to issue request for information to ensure the state has sufficient data regarding optimal PPE needs and subsequently a request for proposal with the purpose of contracting for purchase of PPE and creating state-managed PPE reserve; lists eligibility requirements for contracted vendors.

Sec. 895. Supplier Risk Assessment Program – NEW

Requires DTMB to maintain a comprehensive supplier risk and information subscription used for the pre-contract risk assessment program described in 2017 PA 107.

FY 2020-21 Supplemental Appropriation Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

	Appropriation Change	
1. Children’s Ombudsman Complaint Investigation System	Gross	\$100,000
Includes \$100,000 GF/GP to support information technology integrations for Office of Children’s Ombudsman Complaint Investigation System with both Michigan Statewide Child Welfare Information System and Michigan Vital Records System to address audit findings.	GF/GP	\$100,000
2. Authorization to Receive Revenue from User Fees	Gross	\$3,545,700
Authorizes receipt of \$3.5 million in user fee revenue that supports management and oversight of multi-year capital outlay construction projects for state agencies, universities, and community colleges.	GF/GP	\$3,545,700

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

FY 2020-21 Supplemental Boilerplate Items

Public Act 82 of 2021 (Senate Bill 82, Article 14)

Sec. 1001. Interdepartmental Grant from User Fees

Requires funds deposited in Interdepartmental Grant from User Fees Account to be appropriated for design and construction project oversight activities provided by department; authorizes unexpended funding to be carried forward.

Sec. 1002. Budget Stabilization Fund Deposit

Appropriates \$500.0 million GF/GP to be deposited in Countercyclical Budget and Economic Stabilization Fund.

Sec. 1003. Ferris State University – Center for Virtual Learning Project Cost Increase

Provides for \$2.5 million cost increase for Ferris State University – Center for Virtual Learning project that was approved for construction authorization in 2020 PA 257 at total project cost of \$29.5 million; a state share of \$22.1 million; and a university share of \$7.4 million. University will be responsible for funding entire cost increase resulting in university share of \$9.9 million; and total project cost of \$32.0 million. Cost increase is result of increased building and construction material costs.

Sec. 1004. Glen Oaks Community College – Campus Renovation Project Scope Revision

Provides for revised scope for Glen Oaks Community College – Campus Renovation project that was approved for construction authorization in 2020 PA 257 at total project cost of \$7.3 million; state share of \$3.5 million; and college share of \$3.8 million. The scope change removes all renovations, upgrades, and academic programmatic elements for the steel building structure known as Unit E.

Sec. 1005. Henry Ford College – Entrepreneur and Innovation Institute/Technology Building Renovation and Addition Project Cost Increase

Provides for \$3.3 million cost increase for Henry Ford College – Entrepreneur and Innovation Institute/Technology Building Renovation and Addition project that was approved for construction authorization in 2020 PA 257 at total project cost of \$15.6 million; state share of \$6.7 million; and college share of \$8.9 million. College will be responsible for funding entire cost increase resulting in college share of \$12.2 million, and total project cost of \$18.9 million. The cost increase is result of increased building and construction material costs.

Sec. 1006. Oakland University – South Foundation Hall Renovation and Expansion Project Scope Revision

Provides for revised scope for Oakland University – South Foundation Hall Renovation and Expansion project that was approved for construction authorization in 2020 PA 257 at total project cost of \$40.0 million; state share of \$30.0 million; and university share of \$10.0 million. Scope change removes approximately 6,000 square feet of space from new addition portion of project.

**DEPARTMENT OF TREASURY
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 5)**

Analyst: Ben Gielczyk

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
IDG/IDT	\$13,112,800	\$13,073,500	(\$39,300)	(0.3)
Federal	27,421,800	27,361,400	(60,400)	(0.2)
Local	13,059,500	13,032,000	(27,500)	(0.2)
Private	28,900	31,000	2,100	7.3
Restricted	1,789,352,600	1,860,026,100	70,673,500	3.9
GF/GP	371,167,200	265,511,200	(105,656,000)	(28.5)
Gross	\$2,214,142,800	\$2,179,035,200	(\$35,107,600)	(1.6)
FTEs	1,934.5	1,934.5	0.0	0.0

Notes:

- (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.
- (2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Department of Treasury is the chief fiscal agency of the state and the primary source of advice to the governor on tax and fiscal policy issues. The department's mission is to collect state taxes; to invest, control, and disburse state monies; and to protect the state's credit rating and that of its cities. The department manages one of the nation's largest pension funds, administers revenue sharing, and administers the student financial aid programs. It also investigates fraudulent financial activity, aids on all property tax-related issues and advises issuers of municipal obligations. The Bureau of State Lottery, the Michigan Gaming

Major Budget Changes from FY 2020-21 YTD Appropriations

1. Constitutional Revenue Sharing

Increases by \$60.2 million of restricted sales tax revenue relative to the FY 2020-21 budget act appropriated amount. Appropriation reflects May 2021 CREC estimate for FY 2021-22 which represents a \$28.7 million (3.1%) decrease from May 2021 CREC estimate for FY 2020-21.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Gross	\$851,870,300	\$60,170,200
Restricted	851,870,300	60,170,200
GF/GP	\$0	\$0

2. City, Village, and Township (CVT) Revenue Sharing

Includes \$5.2 million of restricted sales tax revenue to provide a 2.0% increase for CVT Revenue Sharing payments. A CVT would be eligible for a payment equal to 102.0% of its FY 2020-21 eligible payment.

Gross	\$261,024,600	\$5,220,500
Restricted	261,024,600	5,220,500
GF/GP	\$0	\$0

3. County Revenue Sharing/County Incentive Program

Includes \$4.5 million of restricted sales tax revenue to provide a 2.0% increase for 82 eligible counties. Includes an additional \$447,800 of restricted sales tax revenue to reflect full-year funding for the return of Leelanau County to state revenue sharing payments after exhausting its revenue sharing reserve fund in 2021. Each county would be eligible to receive 106.6435% of statutory full funding. County Incentive Program comprises 18.8% of the County Revenue Sharing/County Incentive Program total.

Gross	\$226,529,400	\$4,987,300
Restricted	226,529,400	4,987,300
GF/GP	\$0	\$0

GENERAL GOVERNMENT: TREASURY

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
4. Supplemental Revenue Sharing – Coronavirus Relief Fund Replacement		Gross	\$0
Includes \$433,000 to provide grants to CVTs and counties that were unable to utilize an amount of CRF replacement. The amount equals the difference between the amount the local unit used and the CRF allocation. Includes as Coronavirus Relief Local Government Grants line item.		Restricted	0
		GF/GP	\$0
			\$433,000
5. General Obligation Bond Debt Service		Gross	\$113,735,000
Reduces by \$14.7 million GF/GP to reflect anticipated debt service costs for Clean Michigan Initiative, Great Lakes Water Quality, and Quality of Life general obligation bonds.		GF/GP	\$113,735,000
			(\$14,671,000)
6. Local First Responder Training and Recruitment Grants		Gross	\$0
Includes \$5.0 million GF/GP (considered a one-time appropriation) for a program to support local government efforts related to recruitment, training, and professional development and support for first responders. Eligible first responders would include law enforcement officers, firefighters, emergency medical technicians, paramedics and local government corrections officers. Grants would be awarded on a competitive basis based on need of first responder recruitment and training.		GF/GP	\$0
			\$5,000,000
7. Wrongful Imprisonment Compensation Fund		Gross	\$3,000,000
Increases by \$7.0 million GF/GP to provide a \$10.0 million GF/GP deposit into the fund for FY 2021-22. Funds support statutorily required payments to those deemed to have been wrongfully imprisoned and eligible for compensation from the state under 2016 PA 363.		GF/GP	\$3,000,000
			\$7,000,000
8. Payments in Lieu of Taxes		Gross	\$27,992,200
Includes \$2.2 million Gross (\$1.8 million GF/GP) to adjust PILT appropriation to accommodate additional land purchases and millage increases. Appropriation would provide full funding for PILT programs (Purchased Lands, Swamp and Tax Reverted, and Commercial Forest Reserve) pursuant to statute.		Private	28,900
		Restricted	5,806,200
		GF/GP	\$22,157,100
			\$2,183,200
9. Flow-Through Entity Tax Implementation		Gross	\$0
Includes \$4.6 million GF/GP considered a one-time appropriation. Funds would support implementation costs of House Bill 4288, primarily consisting of new IT systems, for the Department of Treasury.		GF/GP	\$0
			\$4,600,000
10. Michigan Infrastructure Council		Gross	\$850,000
Includes \$3.0 million GF/GP to increase funding for the Michigan Infrastructure Council to plan, conduct, and contract for asset management improvement activities.		IDG	250,000
		GF/GP	\$600,000
			\$3,000,000
11. Unisys Mainframe Servers Cost Adjustment		Gross	NA
Includes \$2.6 million GF/GP for increased costs for IT mainframe and other system maintenance costs. Mainframe supports individual income tax system and Treasury collection systems.		GF/GP	NA
			\$2,600,000
12. Information Technology System Support		Gross	NA
Includes \$2.0 million GF/GP to support licensing, maintenance, and other costs associated with replacing the legacy collections systems (individual income tax, garnishment, and collections). System replacement costs are funded with Information Technology Innovation Fund and existing work project resources.		GF/GP	NA
			\$2,000,000

GENERAL GOVERNMENT: TREASURY

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
13. Recreational Marihuana Grants to Local Units	Gross	\$23,400,000	\$6,600,000
Increases by \$6.6 million of restricted Marihuana Regulation Fund to adjust the level of payments to locals based on revenues to the fund. Payments to locals are estimated at \$30.0 million for FY 2021-22. These payments comprise 30% of the Marihuana Regulation Fund allocations and are split evenly between counties and other municipalities and distributed proportionately based on the number of marihuana retail stores and microbusinesses within the municipality of county.	Restricted	23,400,000	6,600,000
	GF/GP	\$0	\$0
14. NextGen Infrastructure	Gross	\$0	\$16,000,000
Includes \$16.0 million GF/GP for deposit into the Emergency 9-1-1 Fund to support emergency 9-1-1 system infrastructure enhancements.	GF/GP	\$0	\$16,000,000
15. Transportation Administration Support Fund	Gross	\$0	\$18,000,000
Includes \$18.0 million GF/GP from the Transportation Administration Support Fund created in Treasury under section 949I to support expenses related to vehicle and driver services in the Secretary of State (SOS) budget. This appropriation represents the deposit to the fund. Appropriations from the fund are included in the SOS budget.	GF/GP	\$0	\$18,000,000
16. Senior Citizen Cooperative Housing Tax Exemption Program	Gross	\$10,771,700	\$500,000
Increases by \$500,000 GF/GP to accommodate two new facilities (Detroit and Farmington) expected to enter the program in FY 2021-22. Program provides property tax exemption for housing owned and operated by nonprofit organization or association for elderly, disabled, mentally ill, developmentally disabled, or physically disabled, and must consist of eight or more residential units. State reimburses local unit of government for real and/or personal property taxes exempted.	GF/GP	\$10,771,700	\$500,000
17. Dual Enrollment Payments	Gross	\$2,332,600	\$667,400
Increases by \$667,400 to reflect May 2021 CREC estimate for Dual Enrollment payments.	GF/GP	\$2,332,600	\$667,400
18. Other Technical Adjustments	Gross	NA	(\$1,998,000)
Includes the following technical adjustments:	Federal	NA	2,000
• Removes \$2.0 million Gross part 1 appropriation for Compulsive Gaming Prevention Fund in MGCB and transfers to a boilerplate appropriation. Transfer is required pursuant to statute.	Restricted	NA	(2,000,000)
• Restores \$2,000 Federal economic increase in Home Heating Assistance to keep funding level unchanged for FY 2021-22.	GF/GP	NA	\$0
19. FY 2020-21 COVID-19 Appropriations	Gross	\$156,325,000	(\$156,325,000)
Removes following one-time appropriations included in FY 2020-21:	Restricted	4,025,000	(4,025,000)
• \$45.0 million – Employee Assistance Fund	GF/GP	\$152,300,000	(\$152,300,000)
• \$2.5 million – Teacher COVID-19 Grants			
• \$4.0 million – Gaming Case Handling and Information Processing System			
• \$800,000 – Blight Removal Grants			
• \$24.0 million – Flooding Disaster Relief Grants			
• \$5.0 million – Historic Preservation			
• \$2.0 million – School District Debt Relief Support			
• \$20.0 million – School Support Staff COVID-19 Grants			
• \$53.0 million – Teacher COVID-19 Grants			

GENERAL GOVERNMENT: TREASURY

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>	<u>FY 2020-21 Year-to-Date (as of 2/11/21)</u>	<u>FY 2021-22 Enacted Change</u>
20. Economic Adjustments	Gross	NA (\$1,075,200)
Reflects net decrease of \$1.1 million Gross (\$259,900 GF/GP).	IDG	(39,300)
Budgeted increases for salaries and wages (negotiated 2.0% increase on October 1, 2021 and 1.0% on April 1, 2022), and increases related to actuarially required retirement contributions, worker's compensation, and building occupancy charges, were offset by a reduction in calculated contributions for retiree medical benefits.	Federal	(62,400)
	Local	(27,500)
	Restricted	(686,100)
	GF/GP	(\$259,900)

Major Boilerplate Changes from FY 2020-21

TREASURY – OPERATIONS

Sec. 903. Tax Collection Grants – REVISED

Authorizes the Department of Treasury to contract with private collection agencies and law firms to collect taxes, accounts due the state, defaulted student loans, and accounts due to Michigan guaranty agencies; provides funds for collection costs and fees; requires report of agencies used, amounts collected, cost of collection, and other information. Prevents amounts appropriated for defaulted student loan collections from exceeding 24.34% of the collection or a lesser amount prescribed in the contract. If department issues an RFP for primary collection services, the department shall issue an RFP for secondary placement collection services. A bidder would be allowed to bid on the entire contract or for individual components of a contract. Revises to include a city for which the department has entered into an agreement to provide tax administration services as an entity for which services can be provided.

Sec. 904. Investment Service Fee – REVISED

Authorizes the Department of Treasury to charge investment service fee against retirement funds; requires maintaining accounting records; provides funds for services to manage retirement funds' investment portfolios; requires report of portfolio performance. Revises to include new reporting requirement related to fees charged to retirement systems and methodology for determining fees.

Sec. 930. Accounts Receivable Collection Services – REVISED

Requires the Department of Treasury to provide accounts receivable collection services to other departments; authorizes collection of fees equal to costs of collections; requires accounting records and report. Revises to include a city for which the department has entered into an agreement to provide tax administration services as an entity for which services can be provided.

Sec. 947. Financial Independence Teams – RETAINED (UNENFORCEABLE)

Stipulates that the financial independence teams shall cooperate with the Financial Responsibility Section to coordinate and streamline efforts in identifying and addressing fiscal emergencies in school districts and intermediate school districts. (Governor's signing letter states section is unenforceable.)

Sec. 949b. Good Jobs for Michigan Program Distributions – NEW

Authorizes tax capture revenues collected pursuant to written agreements under the Good Jobs for Michigan Program that are transferred from the General Fund to the Good Jobs for Michigan Fund to be appropriated to authorized businesses and the Michigan Strategic Fund for administrative expenses pursuant to statute.

Sec. 949c. Department of Agriculture and Rural Development Coordination – NEW

Requires Department of Treasury to coordinate with the Department of Agriculture and Rural Development to improve the processing and issuance of tax credits from the Michigan Farmland and Open Space Preservation Program.

Sec. 949i. Recreational Marijuana Revenue Distributions – NEW

Authorizes revenue collected under the Michigan Regulation and Taxation of Marijuana Act to be appropriated and distributed pursuant to the act.

Sec. 949l. Historic Preservation – DELETED

Prohibits funds appropriated in part 1 from being expended unless Senate Bill 54 is enacted into law. Requires funds appropriated to be used for implementation of the bill.

Major Boilerplate Changes from FY 2020-21

Sec. 949l. Transportation Administration Support Fund – NEW

Creates the Transportation Administration Support Fund in the Department of Treasury; requires funds to be carried forward and not lapse; subjects funds to appropriation; specifies that funds appropriated in part 1 for the fund are to be deposited in the fund.

Sec. 949m. Blight Elimination – DELETED

Requires funds appropriated in part 1 for Blight Removal Grants to be awarded to projects in redevelopment ready communities certified by MEDC. Individual grants would be capped at \$200,000 with priority given to projects that pose an immediate public safety or health risk.

Sec. 949m. Michigan Infrastructure Council (MIC) – NEW

Requires funds in part 1 to be used by MIC to plan, conduct, and contract for asset management improvement activities that promote improved asset management for infrastructure in Michigan.

Sec. 949n. School District Debt Relief Support – DELETED

Provides that funding appropriated in part 1 for School District Debt Relief Support must be awarded at the discretion of the state treasurer to eligible school districts; defines eligible school districts; caps awards at \$1.0 million.

Sec. 949n. NextGen Infrastructure Grant – NEW

Requires funds appropriated in part 1 to be deposited in the Emergency 9-1-1 Fund.

Sec. 949o. Disaster Relief – DELETED

Provides that funds appropriated in part 1 be provided to the following: Midland/Gladwin Flooding (\$15.0 million); Arenac County Flooding (\$500,000); Houghton/Baraga Flooding (\$4.0 million); Newaygo County Flooding (\$400,000); Ionia County Flooding (\$164,000); and Ecorse River Watershed Flooding (\$3.0 million).

Sec. 949o. Local First Responder Recruitment and Training Grants – NEW

Provides that funds appropriated in part 1 for Local First Responder Recruitment and Training Grants are to support local efforts to expand recruitment, improve training, and provide additional professional development and support to first responders; defines first responders and applicant; requires department to establish application process; caps grants at \$100,000 for recruitment and \$100,000 for training programs.

Sec. 949p. Teacher COVID-19 Grants – DELETED

Requires \$53.0 million appropriation to be distributed as equal payments to eligible K-12 classroom teachers who teach in a public school or nonprofit nonpublic school; caps payments at \$500 per FTE teacher; authorizes the department to retain up to 0.5% for administration.

Sec. 949q. School Support Staff COVID-19 Grants – DELETED

Requires \$20.0 million appropriation to be distributed as equal payments to eligible school support staff; caps payments at \$250 per FTE school support staff; authorizes the department to retain up to 0.5% for administration.

TREASURY – REVENUE SHARING

Sec. 952. City, Village, and Township (CVT) Revenue Sharing and County Incentive Program – REVISED

Specifies distribution of \$261.0 million to all CVTs that received a payment under Section 950(2) of 2009 PA 128 greater than \$1,000.00. Eligible payment is equal to 100.0% of its FY 2019-20 eligible payment. In order to qualify for its eligible payment, a CVT is required to comply with the items listed under accountability and transparency. To qualify for county incentive payment, counties are required to comply with the items listed under accountability and transparency. Any unexpended funds are directed to be deposited in the Financial Distressed CVTs program in Sec. 956, subject to approval of transfers. Requires eligible CVTs to allocate an amount equal to their FY 2020-21 eligible payment increase (no increase was received) to their unfunded pension liabilities if they have a pension that is considered to be in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act. (CVTs are exempt if they have issued a municipal security to pay down their unfunded liability.) Revises to include a 2.0% increase and retains current-year language.

GENERAL GOVERNMENT: TREASURY

Major Boilerplate Changes from FY 2020-21

Sec. 955. County Revenue Sharing Payments – REVISED

Requires the county revenue sharing appropriation to be distributed so that each eligible county receives a payment (when coupled with the County Incentive Program payment) equal to 104.5619% of the amount determined pursuant to the Glenn Steil State Revenue Sharing Act of 1971. Requires counties receiving a payment to allocate their FY 2020-21 eligible payment increase (no increase was received) to their unfunded pension liabilities if they have a pension that is considered to be in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act. (Counties are exempt if they have issued a municipal security to pay down their unfunded liability.) Revises to include a 2.0% increase and retains current-year language.

Sec. 957. Coronavirus Relief Local Government Grants – NEW

Requires funds appropriated in part 1 to make payments to cities, villages, townships, and counties that received a coronavirus relief local government grant in 2020 PA 144 and subsequently returned at least some portion of the grant. The grant must equal the amount returned to the Department of Treasury.

FY 2020-21 Supplemental Appropriation Items
Public Act 87 of 2021 (Senate Bill 82, Article 14)

Appropriation
Change

1. Dual Enrollment Payments

Includes \$400,000 GF/GP to support higher than anticipated costs of the Dual Enrollment program for the remainder of the fiscal year. The department has seen an increase in payment requests on behalf of nonpublic school students from eligible postsecondary institutions. The increase in payments requests is due to the increase in online class options resulting from the COVID-19 pandemic.

Gross **\$400,000**
GF/GP **\$400,000**

2. Presidential Primary Reimbursements

Includes \$100,000 GF/GP to support two final reimbursements related to the 2020 presidential primary. The state is required to reimburse counties, cities, and townships for the cost of conducting a presidential primary. Two final payments are due to Lima and Redford Townships located in the counties of Washtenaw and Wayne, respectively.

Gross **\$100,000**
GF/GP **\$100,000**

FY 2020-21 Supplemental Boilerplate Items
Public Act 87 of 2021 (Senate Bill 82, Article 14)

Sec. 1151. Michigan Regulation and Taxation of Marihuana Act Revenue

Appropriates and authorizes distribution of revenue from the Michigan Regulation and Taxation of Marihuana Act.

GENERAL GOVERNMENT: TABLE 6 – MICHIGAN ENHANCEMENTS GRANTS

Table 6: Michigan Enhancement Grants Public Act 82 of 2021 (Senate Bill 82, Article 5)

1	Minority Supplier Development Council	\$2,000,000
2	Making it Happen - MSU Hub for Innovation	1,000,000
3	McLaren - Greenlawn	1,000,000
4	Border to Border Trail Grant - Scio Township	750,000
5	Pedestrian Trail Safety Grant - Scio Township	750,000
6	Battle Creek City Hall façade repairs	1,000,000
7	Mackinac Island State Park	500,000
8	Battle Creek Unlimited for the renovation of the McCamly Plaza Hotel property	2,000,000
9	Bay Veterans Foundation Workshop Learning Center	300,000
10	SVSU Workforce Talent Lab Facilities	1,750,000
11	Berrien County Youth Fair Permanent Police and Fire Station	600,000
12	St. Joseph Co. United Way	26,000
13	Harsen's Island Transportation Authority - bridge study	250,000
14	Houghton Trail floor repairs	4,000,000
15	Michigan Maritime Museum in South Haven	500,000
16	Meals on Wheels - new building	1,000,000
17	St. Ignace Ambulance Garage/Building	1,500,000
18	Litchfield Skilled Trade Training Center	150,000
19	Hillsdale Co. Sheriff's Communications Equipment	210,000
20	Jackson ISD Front Elementary School HVAC/Renovations	10,000,000
21	Point Betsie Lighthouse	5,183,400
22	Ottawa Co. Groundwater Evaluation and Response Coordination System	1,141,500
23	River Raisin Battlefield	2,000,000
24	Midland Center for the Arts	5,000,000
25	Office of Global Michigan	500,000
26	Midland Community Center	6,557,100
27	YMCA Jackson new site soil remediation	224,000
28	800 MHz Frequency Tower in Berrien Co. for First Responders	5,000,000
29	Steve Mariucci Family Beacon House	3,150,000
30	Great Lakes Central Projects	1,195,000
31	Van Dyke Apartment	1,500,000
32	Sewer Extension - Mancelona	500,000
33	Berston Field House	1,000,000
34	Flint Library renovations	250,000
35	GM Linden Parkway expansion	200,000
36	Flint Social Club - food entrepreneur training and mentoring	375,000
37	Flint United Basketball - youth camps and community programming for at-risk youth	100,000
38	Flint Food Market - food access expansion	460,000
39	Violence Interruption Program for CMH	250,000
40	Pontiac FQHC new clinic	1,000,000
41	GR African American Health Institute - research of the expanded health equity index	500,000
42	Children's Healing Center - remodel/construction	500,000
43	GR Public Museum riverfront project	500,000
44	Palmer Park habitat rehab - restoring woodland water flow	1,000,000
45	Binder Street Block club - community garden restoration	25,000
46	Women of Tomorrow program expansion	200,000
47	Wayne State National Defense De-escalation training	150,000

GENERAL GOVERNMENT: TABLE 6 – MICHIGAN ENHANCEMENTS GRANTS

Table 6: Michigan Enhancement Grants Public Act 82 of 2021 (Senate Bill 82, Article 5)

48	Riverside Arts Center renovation	\$450,000
49	HighScope Early Childhood Development Center expansion	300,000
50	Washtenaw County re-entry pilot	500,000
51	Parking study around Iron Belle Train, Depot Town CDC	30,000
52	Crosswalk with a HAWK Superior Twp. Library Branch of the Ypsilanti Library	150,000
53	African American soldier memorial - Highland Cemetery	25,000
54	Softball diamond improvements, Parkridge Community Center	50,000
55	City of Rockwood Wastewater Treatment Plant	350,000
56	Presbyterian Village - renovation and construction of new units	1,000,000
57	Motown Museum	1,000,000
58	JROTC in Detroit Public Schools Community District	250,000
59	Great Lakes Center for Autism Treatment - service expansion	1,000,000
60	Portage Senior Center - new senior center	1,500,000
61	I-75 Sound wall study (Adams Rd. to 13 mile)	300,000
62	Rochester Hills Innovation Hills Park Expansion	500,000
63	Carpenter Lake Nature Preserve Park (Southfield) - improved parking/shelters	600,000
64	Living and Learning Center - Plymouth - operations and programming	50,000
65	Livonia Senior Park - outdoor fitness zone	100,000
66	Goudy Park - amphitheater improvements	500,000
67	Cody Rouge Community Action Alliance - connectivity and computer skills for seniors	750,000
68	Sickle Cell Center for Excellence - sickle cell anemia center creation	750,000
69	Authority Health Community Health Worker - pilot program on equitable health care	450,000
70	Child and Family Charities - consolidation and enhancement of services	1,000,000
71	Mikey 23 apprenticeship program through housing education	100,000
72	Poor People's Campaign: Housing and Job placement program	375,000
73	Tri-County Special Ops Team - Emergency vehicle	150,000
74	Allen Neighborhood: food pantry Lansing - structural improvements	85,000
75	Beach Water Hazard System Upgrades	200,000
76	Lansing Arts Center construction	2,000,000
77	Farmers Market Association - increase EBT acceptance	350,000
78	Veterans Service Orgs and Counties grants	1,800,000
79	City of Warren heavy duty tactical vehicle	400,000
80	Women's Resource Center of Lansing: Sexual Assault Counseling	25,000
81	Firecracker Foundation - mental health therapy supports	25,000
82	Lansing Police Department: Cold Case Unit staffing	75,000
83	Kent Co. Youth Fair facility upgrades	5,200,000
84	Lowell YMCA New Facility	150,000
85	PFAS Remediation for Grand Rapids Water System/GR Airport	1,625,000
86	Boys and Girls Club of Alpena - new facility for child health, education, and development	500,000
87	Michigan Snowmobile and ORV Association - equipment and training	1,150,000
88	Chaldean Cultural Center - Historic Records - mobile museum and digital storytelling	150,000
89	MI Law Enforcement Memorial Monument Fund	500,000
90	Dearborn Community and Performing Arts Center roof replacement	1,500,000
91	Amity Foundation programming	2,000,000
92	Yemeni American Association - Outreach and testing	100,000
93	Manton local library - new library construction	250,000
94	Special needs culinary school - Rising Stars - programming	100,000

GENERAL GOVERNMENT: TABLE 6 – MICHIGAN ENHANCEMENTS GRANTS

Table 6: Michigan Enhancement Grants Public Act 82 of 2021 (Senate Bill 82, Article 5)

95	Degage Ministries - programming	\$500,000
96	Walker post-9/11 fallen heroes memorial development	500,000
97	Newaygo County Fair Barn	800,000
98	Arenac Fairgrounds - infrastructure installation	2,830,000
99	Sanilac Co. Parks ADA Compliance	20,000
100	St. Clair Co. Mid-city Nutrition - new location completion assistance	50,000
101	Holiday Camp in Monroe - programming	150,000
102	St. Joseph Center for Hope - Monroe - programming	100,000
103	Blight Cleanup - City of Detroit	200,000
104	Detroit Public Library - maintenance and repair	500,000
105	Luce County road repairs and paving	6,000,000
106	Calumet Fire restoration	250,000
107	Upper Peninsula State Fair - operations	500,000
108	Restore the Rapids - in channel river improvements	7,000,000
109	Van Andel Institute - programming	1,000,000
110	Fort Gratiot campground infrastructure upgrades	50,000
111	Local Dock - Long Lake Boat Launch improvements	300,000
112	Walbro Corporation - Cass City - expansion	1,500,000
113	Linden - Mill Pond - kayak launch improvements	30,000
114	West Michigan Aviation Academy - Hangar Project	1,000,000
115	Calvin Prison Institute	1,000,000
116	MiLaunch - Aerospace - Command and Control program	250,000
117	Small Business Development Centers	200,000
118	Novi Education Foundation: Funding for outdoor classrooms and outdoor gardening programs during the summer	400,000
119	Plymouth Cultural Center grant to improve ADA accessible infrastructure.	250,000
120	City of Sterling Heights for elections-related costs	200,000
121	Tree Canopy Grants, City of Sterling Heights	250,000
122	Delta Township Regional Fire Apparatus	1,400,000
123	United Way of Washtenaw County: Community Financial Stabilization and Workforce Development Program	275,000
124	Eden Park Community Infrastructure Project administered by the Tri City Community Development Corporation covering Detroit, Ecorse, and River Rouge.	300,000
125	Covenant House program grant	200,000
126	Grand Rapids Center for Transformation funding for provision of social services, jobs training, adult education, GED programs, and facility renovations.	500,000
127	Grant Bridging Communities - programming	250,000
128	Youth Development Corporation, Inc. - Workforce Development Grant	500,000
129	Third Street Wharf Project - City of Muskegon on Muskegon Lake	1,500,000
130	Farmington Hills - Fire Prevention Trailer replacement	100,000
131	Farmington Hills - Level 2 EV charging stations for city hall parking lot	36,000
132	Farmington Hills Police Department Crisis Intervention Training	300,000
133	Phase I Implementation of the Mack Avenue Streetscape Plan for the cities of Detroit, Grosse Pointe Park, Grosse Pointe, and Grosse Pointe Farms.	200,000
134	Lakeshore Drive Seawall Repair	750,000
135	Invest Detroit loan financing program support	500,000
136	Detroit Parks Coalition - capital improvement grant	500,000
137	Project Healthy Community - programming	300,000
138	Royal Oak Township - recreation center improvements	125,000
139	Kids Kicking Cancer - programming	200,000

GENERAL GOVERNMENT: TABLE 6 – MICHIGAN ENHANCEMENTS GRANTS

Table 6: Michigan Enhancement Grants Public Act 82 of 2021 (Senate Bill 82, Article 5)

140 Alleyway improvement projects in Hamtramck to improve business growth.	\$750,000
141 City of Lansing - public safety/ security measures at Capitol area	1,000,000
142 City of Lathrup Village - infrastructure grant - local road system and storm ditch system.	200,000
143 Village of Franklin - sewer repair	200,000
144 Meridian Township Fire Department - new apparatus	225,000
145 Marquette Planetarium repairs	250,000
146 MI Hispanic Collaborative - high school and college completion programming	2,000,000
147 Oakland County - Talent Development Coalition grant	200,000
148 Keego Harbor - sandbar buoys	50,000
149 Wayne County Community Action Agency - Home Repair Program	1,500,000
150 Flint Beecher High School - new building support	500,000
151 Lincoln Park - traffic signal preemption devices (emergency vehicles)	128,000
152 City of Westland - conversion of closed school building into functioning community center	500,000
153 Royal Oak - Veterans Memorial Project grant	50,000
154 City of Taylor - fire apparatus	500,000
155 Michigan Science Olympiad - programming	30,000
156 Advance Peace Street Outreach and Peacemaker Fellowship Gun Violence Prevention project administered by Ingham County	357,000
157 Garden City Fire Station - renovation	400,000
158 City of Clawson - S. Main St. / 14 Mile Rd. crosswalk signal	80,000
159 Kent County - Youth Offender Pilot Program	81,000
160 Downriver Community Conference programming	400,000
161 Bloomfield Township - Special Operations and Response Vehicle	500,000
162 City of Flint - blight removal funds/clean up funds	1,000,000
163 Belleville - Belleville Lake bridge restoration and repair	500,000
164 Avalon House for the Grove at Veridian renovations	250,000
165 Ann Arbor Housing Commission - Lurie Terrace renovations	200,000
166 City of Highland Park - fire apparatus	850,000
167 City of Burton - water line replacement	1,000,000
168 Mount Clemens High School roof repair	200,000
169 City of Center Line - implementation and compliance with indigent defense standards	125,000
170 Adult adjustable changing table grant (DHHS)	100,000
171 City of Detroit - Community Garden and Playground Equipment grant	60,000
172 Barton Elementary School - external lighting infrastructure	78,000
173 Children's Center Detroit - programming	250,000
174 Detroit Horse Power Capital Improvement Grant	300,000
175 Development Center Grants, Inc. - programming	150,000
TOTAL	\$146,892,000

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Summary of FY 2021-22 Enacted with Vetoes
Public Act 87 of 2021 (Senate Bill 82, Article 6)

Analysts: Sydney Brown, Kent Dell, Susan Frey, Kevin Koorstra, and Viola Wild

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
	\$13,829,900	\$14,593,500	\$763,600	5.5
Federal	20,159,666,800	22,907,479,800	2,747,813,000	13.6
Local	161,422,800	162,951,100	1,528,300	0.9
Private	177,172,500	172,276,500	(4,896,000)	(2.8)
Restricted	2,989,480,100	2,986,632,100	(2,848,000)	(0.1)
GF/GP	5,224,838,900	5,407,875,000	183,036,100	3.5
Gross	\$28,726,411,000	\$31,651,808,000	\$2,925,397,000	10.2
FTEs	15,487.0	15,587.5	100.5	0.6

Notes:

(1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.

(2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Department of Health and Human Services (DHHS) includes programs and services to assist Michigan's most vulnerable families, including public assistance programs, protecting children and assisting families by administering foster care, adoption, and family preservation programs and by enforcing child support laws, and funding for behavioral health (mental health and substance use disorder), population health, aging, crime victim, and medical services programs, including Medicaid and the Healthy Michigan Plan.

Major Budget Changes from FY 2020-21 YTD Appropriations

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
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MEDICAID AND BEHAVIORAL HEALTH – GENERAL

1. Traditional Medicaid Cost Adjustment

Includes an increase of \$279.2 million Gross (reduction of \$20.1 million GF/GP) to recognize FY 2020-21 and FY 2021-22 caseload, utilization, and inflation adjustments, an additional 6.2 percentage point increase to the state FMAP provided under the federal Families First Coronavirus Response Act for 1 quarter (E-FMAP), traditional FMAP cost-sharing adjustments from 64.08% to 65.48%, and managed care risk corridor backout adjustments. Compared to FY 2019-20 expenditures, and including actuarial soundness adjustments in item #3 and direct care wage increases in item #4, the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and the House Fiscal Agency forecasts an average annual increase of 7.7%. Increase is driven primarily by caseload growth tied to a federal moratorium on closing Medicaid cases during a federally declared public health emergency.

Gross	\$15,578,755,100	\$279,150,600
Federal	10,182,299,100	343,203,800
Local	53,347,500	(2,684,800)
Private	4,700,000	0
Restricted	2,209,920,900	(41,285,800)
GF/GP	\$3,128,487,600	(\$20,082,600)

HEALTH AND HUMAN SERVICES

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Major Budget Changes from FY 2020-21 YTD Appropriations			
2. Healthy Michigan Plan Cost Adjustment	Gross	\$5,176,326,000	\$400,883,300
Includes \$400.9 million Gross (\$36.9 million GF/GP) to recognize FY 2020-21 and FY 2021-22 caseload, utilization, and inflation adjustments, managed care risk corridor backout adjustments, and actuarial soundness adjustments for medical and behavioral health services in the Healthy Michigan Plan (HMP). Compared to FY 2019-20 expenditures, and including actuarial soundness adjustments in item #3, the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and the House Fiscal Agency forecasts an average annual increase of 16.25%. Increase is driven primarily by caseload growth tied to a federal moratorium on closing Medicaid cases during a federally declared public health emergency.	Federal	4,631,569,200	364,019,400
	Local	1,994,400	0
	Restricted	487,115,500	0
	GF/GP	\$55,646,900	\$36,863,900
3. Actuarial Soundness	Gross	NA	\$299,600,000
Includes \$299.6 million Gross (\$78.8 million GF/GP) to support an estimated 2.5% actuarial soundness adjustment for prepaid inpatient health plans (PIHPs), Medicaid Health plans, and Program of All-includes Care for the Elderly (PACE); 2.0% for home- and community-based services; 5.0% for Integrated Care Organizations (MI Health Link); 1.0% for Healthy Kids Dental, and 5.0% increase for PIHP autism services.	Federal	NA	220,805,900
	GF/GP	NA	\$78,794,100
	4. Direct Care Wage Increase	Gross	\$250,000,000
Includes \$164.5 million Gross (\$79.5 million GF/GP), for an annual ongoing cost totaling \$414.5 million Gross (\$146.1 million GF/GP), to support a continuation and increase of the temporary \$2.00 per hour wage increase for direct care workers to \$2.35 per hour. Current year funding is only for the first 5 months of FY 2020-21 and included on a one-time basis. Sec. 231 is related boilerplate.	Federal	183,333,300	85,047,500
	GF/GP	\$66,666,700	\$79,464,400
	DEPARTMENTAL ADMINISTRATION AND SUPPORT		
5. CCWIS Module Development and Operations	FTE	6.0	6.0
Includes a net reduction of \$622,300 Gross (and a net increase of \$203,300 GF/GP) ongoing funding to replace development funding with maintenance and operational funding for the Comprehensive Child Welfare Information System (CCWIS) licensing module. Also includes one-time funding of \$16.8 million Gross (\$8.7 million GF/GP) and authorizes 6.0 FTE positions for the development of the CCWIS intake, investigation, and case management modules. These are the next 3 modules of the 8 remaining cloud-based modules to be implemented over the course of the next 4 to 5 years.	Gross	\$4,389,400	\$16,201,900
	Federal	1,789,400	7,250,000
	GF/GP	\$2,600,000	\$8,951,900
6. MMIS Home Help Payments – One-Time	FTE	3.0	0.0
Includes \$21.0 million Gross (\$2.1 million GF/GP) one-time funding to provide for changes to the Michigan Medicaid Information System (MMIS) to support Home Help payment changes. Changes would allow payments to be processed through CHAMPS rather than the Adult Service Authorized Payment System (ASAP).	Gross	\$116,936,000	\$21,000,000
	Federal	75,787,400	18,900,000
	Private	25,000,000	0
	GF/GP	\$16,148,600	\$2,100,000
7. Information Technology	Gross	NA	\$7,000,000
Includes \$7.0 million GF/GP to support department-wide information technology upgrades and investments.	GF/GP	NA	\$7,000,000
	8. CHAMPS Technology Upgrades – One-Time	Gross	NA
Includes 18.0 million Gross (\$2.2 million GF/GP) to support application technology upgrades to CHAMPS, which include security upgrades, state and federal compliance measures, collaborative software, and improve performance of services provided.	Federal	NA	15,850,000
	GF/GP	NA	\$2,150,000

HEALTH AND HUMAN SERVICES**Major Budget Changes from FY 2020-21 YTD Appropriations**

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
9. MiSACWIS Maintenance and Operations	Gross	\$5,647,800	\$2,345,200
Includes \$2.3 million Gross (\$1.8 million GF/GP) to support increased maintenance and operational costs of the Michigan Statewide Automated Child Welfare Information System centralized intake database and CPS technology suite.	IDG/IDT	18,600	0
	TANF	761,700	0
	Federal	3,752,100	508,300
	Restricted	32,800	0
	GF/GP	\$1,082,600	\$1,836,900
10. MiHIN – One-Time	Gross	\$2,750,000	\$14,750,000
Includes \$14.8 million Gross (\$1.0 million GF/GP reduction) to recognize an increase in federal funding for the Michigan Health Information Network.	Federal	0	15,750,000
	GF/GP	\$2,750,000	(\$1,000,000)
11. Legal Services	Gross	NA	\$12,300,000
Includes \$12.3 million GF/GP to support various potential future litigation costs on major statewide legal services, including the Flint drinking water emergency.	GF/GP	NA	\$12,300,000
12. Property Management – Lease Costs	Gross	\$65,065,000	(\$1,074,300)
Includes a reduction of \$1.1 million Gross (\$429,700 GF/GP) to realize the elimination of a lease of a downtown Lansing office, and the relocation of 133 employees.	IDG/IDT	593,500	0
	TANF	10,698,900	0
	Federal	23,107,300	(644,600)
	Private	36,400	0
	Restricted	495,500	0
	GF/GP	\$30,133,400	(\$429,700)
13. Economic Adjustments	Gross	NA	(\$10,697,600)
Reflects overall net reduction of \$10.7 million Gross (\$4.8 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. Amount includes reflected salary and wage increases totaling \$29.0 million Gross (\$13.3 million GF/GP).	IDG/IDT	NA	(38,500)
	TANF	NA	(1,399,100)
	Federal	NA	(4,275,900)
	Local	NA	(38,800)
	Private	NA	(52,500)
	Restricted	NA	(139,300)
	GF/GP	NA	(\$4,753,500)

CHILD WELFARE SERVICES

14. Child Welfare Caseload Adjustments	Gross	\$741,444,000	(\$45,248,600)
Includes a net reduction of \$45.3 million Gross (\$20.7 million GF/GP) for child welfare programs as follows:	Federal	206,119,500	(15,332,800)
<ul style="list-style-type: none"> Foster care payments are reduced by \$41.4 million Gross (\$25.1 million GF/GP) from 8,152 cases at \$32,415 per year to 7,958 cases at \$31,552 per year. Adoption subsidies are reduced by \$3.3 million Gross (\$5.3 million GF/GP increase) from 22,061 cases at \$728.48 per month to 21,877 cases at \$723.92 per month. The Child Care Fund is reduced by \$498,800 Gross (\$900,800 million GF/GP). Guardianship assistance payments are reduced by \$28,400 Gross (\$20,600 GF/GP) from 1,201 cases at \$694.42 per month to 1,209 cases at \$687.87 per month. 	TANF	79,969,600	(8,904,000)
	Local	46,081,400	(336,200)
	Private	1,208,000	(8,000)
	GF/GP	\$408,065,500	(\$20,667,600)
15. Child Welfare FMAP Adjustments	Gross	NA	\$0
Includes a \$0 Gross and \$3.7 million GF/GP reduction for adjustments to the FMAP match rate from 64.08% to 65.48% and from adjustments and extensions to the enhanced FMAP match rate.	Federal	NA	3,738,700
	GF/GP	NA	(\$3,738,700)

HEALTH AND HUMAN SERVICES

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Major Budget Changes from FY 2020-21 YTD Appropriations			
16. Qualified Residential Treatment Program (QRTP) Third Party Assessments	Gross	\$3,410,600	\$1,700,200
Includes an increase of \$1.7 million Gross (\$1.2 million GF/GP) to annualize funding to private agencies that was appropriated in FY 2020-21 for third party assessments which determine the level of care and treatment goals for foster care youth that may be candidates for residential care. These assessments are required by the QRTP which was established by the federal Family First Prevention Services Act (FFPSA).	Federal	910,600	453,900
	GF/GP	\$2,500,000	\$1,246,300
17. Private Child Caring Institutions Residential Rate Increase	Gross	NA	\$18,570,600
Includes \$18.6 million Gross (\$14.2 million GF/GP) to fund residential rate increases to child caring institutions to help the agencies meet new residential treatment requirements established in the QRTP by the federal FFPSA. \$7.1 million funding was appropriated in FY 2020-21 for a rate increase beginning April 2021; \$4.2 million increase is to annualize this funding. The remaining \$14.4 million increase would fund the additional cost of the rate increase to comply with QRTP requirements as estimated by a third-party analysis.	Federal	NA	4,354,400
	GF/GP	NA	\$14,216,200
18. Foster Care QRTP Implementation Savings	Gross	\$286,630,400	(\$4,917,500)
Includes a reduction of \$4.9 million Gross (\$2.4 million GF/GP) for assumed future savings to foster care payments from fewer and shorter placements into residential care because of the implementation of the requirements of the federal FFPSA.	Federal	109,180,800	(2,520,900)
	TANF	8,075,800	0
	Local	23,881,500	0
	Private	1,208,000	0
	GF/GP	\$144,284,300	(\$2,396,600)
19. Private Agency Foster Care Administrative Rate Increase	Gross	NA	\$21,324,600
Includes \$21.3 million Gross (\$9.9 million GF/GP) to fund a \$9.00 increase to foster care administrative rates, raising current \$46.20 per diem rates to \$55.20 per diem and provides a 12.0% increase to independent living plus per diem rates. Sec. 546 is related boilerplate.	Federal	NA	7,206,200
	TANF	NA	4,239,000
	GF/GP	NA	\$9,879,400
20. Private Agency Adoption Rate Increase	Gross	NA	\$6,900,000
Includes \$6.9 million Gross (\$4.8 million GF/GP) to fund a \$3.00 increase to private agency adoption per diem rates, raising current rates from \$20.00 to \$23.00 and keeps per diem rate payments separate from the adoption placement or finalization rate. Sec. 570 is related boilerplate.	Federal	NA	2,070,000
	GF/GP	NA	\$4,830,000
21. Kinship Care Pilot Program	Gross	\$0	\$1,500,000
Includes \$1.5 million private revenues for a kinship placement, support, and licensing services pilot program to increase the kinship licensure rate and reduce the length of stay for children in foster care. Sec. 535 is related boilerplate.	Private	0	1,500,000
	GF/GP	\$0	\$0
22. Child Legal Representation Program	Gross	\$0	\$500,000
Includes \$500,000 GF/GP for DHHS to explore the establishment of 2 child legal representation pilot projects to improve the quality of legal representation for children and parents in child protective hearings. Sec. 580 is related boilerplate.	GF/GP	\$0	\$500,000
23. Additional Foster Care Program Increases	Gross	NA	\$1,100,000
Includes \$50,000 GF/GP for Foster Care Closets, which allow foster care children to shop for clothing and other needed items free of charge; \$50,000 GF/GP funding for caseworkers to provide immediate assistance for urgent needs, when removed from the home or other dangerous environment, including human trafficking; and \$1.0 million GF/GP for family incentive grants for home improvements or physical exams to help foster families qualify to become foster parents.	GF/GP	NA	\$1,100,000

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
24. Court-Appointed Special Advocates (CASA) Includes \$500,000 GF/GP for the CASA program.	Gross	\$500,000	\$500,000
	GF/GP	\$500,000	\$500,000
25. Foster Care Prevention Program Investment Includes an increase of \$9.2 million Gross (\$4.8 million GF/GP) and authorizes 18.0 FTE positions for child welfare family preservation programs that help prevent children being placed into foster care and help keep foster care children in family-like placements. Proposal would add 2 program coordinators and 16 kinship parent support coordinators.	FTE	15.0	18.0
	Gross	\$50,812,500	\$9,233,800
	Federal	609,600	4,416,800
	TANF	43,224,000	0
	GF/GP	\$6,978,900	\$4,817,000
26. Marketing Programs to Promote Adoption of Infants – VETOED Governor vetoed Sec. 528 and related \$10.0 million GF/GP for marketing programs that promote the adoption of infants and to develop factual educational information materials on adoption as an alternative to abortion.	Gross	NA	\$0
	GF/GP	NA	\$0
27. Unified Clinics Resiliency Center for Families and Children – One-Time Funding Retains \$750,000 GF/GP for the development and operation of a Resiliency Center for Families and Children to provide services to families and children experiencing trauma, toxic stress, chronic disability, neurodevelopmental disorders, or addictions. Sec. 1960 is related boilerplate.	Gross	\$1,500,000	(\$750,000)
	GF/GP	\$1,500,000	(\$750,000)
28. Human Trafficking Victims Services – One-Time Funding Includes \$500,000 GF/GP to create and implement the Human Trafficking Victims Services Expansion Pilot which will provide services to victims using victim-centered and trauma informed approaches. Sec. 1966 is related boilerplate.	Gross	\$0	\$500,000
	GF/GP	\$0	\$500,000
29. Special Residential Care Facility – One-Time Funding Includes \$300,000 GF/GP for the St. Louis Center, a residential community for children and adults with intellectual and developmental disabilities. Sec. 1972 is related boilerplate.	Gross	\$0	\$300,000
	GF/GP	\$0	\$300,000
30. Homeless Programs Increase Includes \$800,000 GF/GP to the emergency shelter program to fund a \$1.00 increase to the per diem rate to the providers, raising the current rate from \$18.00 to \$19.00 per bed night. Sec. 453 is related boilerplate.	Gross	\$23,282,500	\$800,000
	TANF	6,162,600	0
	Federal	3,613,900	0
	GF/GP	\$13,506,000	\$800,000
31. Juvenile Justice Raise the Age Implementation Includes an increase of \$29.1 million Gross (\$24.2 million GF/GP) for the first year phase-in of the Raise the Age program which requires that most 17-year-old offenders be adjudicated in the juvenile justice system rather than the adult court system.	Gross	NA	\$29,100,000
	Federal	NA	4,900,000
	GF/GP	NA	\$24,200,000

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
PUBLIC ASSISTANCE		
32. Public Assistance Caseload Adjustments	Gross	NA \$1,216,157,800
Includes a net increase of \$1.2 billion Gross (reduction of \$42.5 million GF/GP) to recognize adjustments to FY 2020-21 and FY 2021-22 public assistance caseloads, reflecting May Consensus. This includes changes to retained child support collections resulting from FMAP adjustments, a recognition of the 15% increase to P-EBT benefits, and assumes an extension of the 15% increase to SNAP benefits through the end of FY 2020-21. Total caseload adjustments include:	TANF	NA (11,483,200)
	Federal	NA 1,271,662,300
	Restricted	NA (1,484,300)
	GF/GP	NA (\$42,537,000)
<ul style="list-style-type: none"> • Family Independence Program: reduction of \$48.1 million Gross (\$36.2 million GF/GP) • Food Assistance Program: increase of \$1.3 billion federal (\$0 GF/GP) • State Disability Assistance: reduction of \$4.8 million Gross (\$3.7 million GF/GP) • State Supplementation: reduction of \$2.7 million GF/GP 		
33. Enhanced-FMAP Redetermination	Gross	NA \$20,900,700
Includes \$20.9 million Gross (\$9.2 million GF/GP) for additional administrative costs for Medicaid eligibility redeterminations once the enhanced FMAP (E-FMAP) and its related prohibition on Medicaid eligibility redeterminations expires, which is estimated to expire January 1, 2022.	Federal	NA 11,660,000
	GF/GP	NA \$9,240,700
34. Home Health and Safety – One-Time	Gross	\$0 \$5,000,000
Includes \$5.0 million GF/GP one-time funding to support a pilot program, which would provide home repair grants to single/multiple family residences, in order to correct health and safety issues that prevent participation in home energy efficiency programs.	GF/GP	\$0 \$5,000,000
35. Medical/Psychiatric Evaluations – Lapse Reduction	Gross	\$1,420,100 (\$300,000)
Reduces the Medical/Psychiatric Evaluations line item by \$300,000 GF/GP to recognize historic lapse amounts.	TANF	2,000 0
	Federal	732,900 0
	GF/GP	\$685,200 (\$300,000)
36. Legal Services Association of Michigan Grant (LSAM)	Gross	\$0 \$325,000
Includes \$325,000 GF/GP to support contractual services with LSAM to provide SSI advocacy legal services.	GF/GP	\$0 \$325,000
37. Diaper Assistance Grant	Gross	\$0 \$250,000
Includes \$250,000 TANF to provide for statewide grants to purchase diapering products.	TANF	0 250,000
	GF/GP	\$0 \$0
38. Kids’ Food Basket – One-Time	Gross	\$250,000 \$275,000
Retains the FY 2020-21 one-time funding and includes an additional \$275,000 GF/GP to provide a grant to the Kids’ Food Basket organization, which provides meals to low-income children.	GF/GP	\$250,000 \$275,000
39. Legal Assistance – One-Time	Gross	\$60,000 (\$40,000)
Retains \$20,000 GF/GP to support a grant to the Allegan County Legal Assistance Center, which provides legal assistance for civil proceedings to low-income individuals.	GF/GP	\$60,000 (\$40,000)

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2020-21 YTD Appropriations

**FY 2020-21
Year-to-Date
(as of 2/11/21)** **FY 2021-22
Enacted
Change**

BEHAVIORAL HEALTH SERVICES

40. Certified Community Behavioral Health Clinics Demonstration Program	FTE	NA	6.0
	Gross	NA	\$26,497,300
Includes \$26.5 million Gross (\$5.0 million GF/GP) and authorizes 6.0 FTE positions, to establish 14 integrated behavioral and physical health clinics through a federal CMS demonstration program. Amount would include staffing costs for a Behavioral Health Policy and Operations office to oversee the demonstration program.	Federal	NA	21,547,300
	GF/GP	NA	\$4,950,000
41. KB v. Lyon Lawsuit	FTE	NA	12.0
	Gross	NA	\$90,991,800
Includes \$91.0 million Gross (\$30.0 million GF/GP) and authorizes 12.0 FTE positions for estimated children behavioral health service utilization increases to implement future policy changes related to the <i>KB v. Lyon</i> lawsuit agreement.	Federal	NA	60,991,800
	GF/GP	NA	\$30,000,000
42. Autism Navigators	Gross	\$1,025,000	\$0
Retains \$1.0 million GF/GP to continue and move the autism navigator program from the one-time unit into the ongoing behavioral health unit.	GF/GP	\$1,025,000	\$0
43. Five-Year Inpatient Psychiatric Plan	Gross	\$0	\$300,000
Includes \$300,000 GF/GP for DHHS to create a 5-year plan to address adult and children inpatient psychiatric bed needs using both public and public-private partnership beds. Sec. 1062 is related boilerplate.	GF/GP	\$0	\$300,000
44. Federal State Opioid Response (SOR) Grant	Gross	\$30,714,700	\$36,440,900
Includes \$36.4 million in federal SOR grant funding to increase access to medication-assisted treatments, addressing unmet treatment needs, and reducing opioid overdose deaths. Federal opioid grant funding also separated out into a separate opioid response activity line item.	Federal	30,714,700	36,440,900
	GF/GP	\$0	\$0
45. Substance Use Disorder (SUD) Program Increases	Gross	NA	\$1,700,000
Includes a combined \$1.7 million GF/GP to increase SUD programming through Salvation Army Harbor Light (\$1.1 million GF/GP), and recovery community organizations (\$600,000 GF/GP).	GF/GP	NA	\$1,700,000
46. Family Support Subsidy Caseloads Adjustments	Gross	\$13,650,000	(\$1,817,600)
Reduces \$1.8 million TANF to support an estimated 4,300 family support subsidy cases.	TANF	13,650,000	(1,817,600)
	GF/GP	\$0	\$0
47. Behavioral Health Community Supports and Services	FTE	0.0	2.0
	Gross	\$11,221,500	\$2,266,700
Adds \$2.3 million Gross (\$138,500 GF/GP), authorizes 2.0 FTE positions, and directs these community supports to crisis stabilization units and psychiatric residential treatment facilities. Sec. 1010 is related boilerplate.	Federal	6,221,500	2,128,200
	GF/GP	\$5,000,000	\$138,500
48. Medicaid Mental Health Local Match	Gross	NA	\$0
Includes \$5.1 million GF/GP to replace a like amount of local funding used for Medicaid mental health supports and services. Amount would reflect the second year of phasing out the local match portion over a 5-year period. Sec. 928 is related boilerplate.	Local	NA	(5,095,100)
	GF/GP	NA	\$5,095,100
49. Multicultural Integration Funding – One-Time Funding	Gross	\$17,284,900	\$4,400,000
Adds \$4.4 million federal Coronavirus State Fiscal Recovery Funds for multicultural integration on a one-time basis.	Federal	1,115,500	4,400,000
	GF/GP	\$16,169,400	\$0

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
50. State Psychiatric Hospital Pharmacy Cost Increase	Gross	NA	\$490,900
Adds \$490,900 Gross (\$426,200 GF/GP) to support an estimated 5% inflationary increase in pharmacy costs within the state psychiatric hospitals.	Federal	NA	19,700
	Local	NA	28,700
	Restricted	NA	16,300
	GF/GP	NA	\$426,200
51. State Psychiatric Hospital Coronavirus Relief Funds	Gross	\$0	\$0
Replaces \$22.5 million of one-time federal Coronavirus Relief Funds (CRF) used for eligible state psychiatric hospital costs with a like amount of GF/GP.	Federal	22,500,000	(22,500,000)
	GF/GP	(\$22,500,000)	\$22,500,000
52. Behavioral Health – One-Time Funding	Gross	\$3,800,000	\$14,250,000
Retains one-time funding for first responder mental health (\$2.5 million), Special Olympics capital improvements (\$1.0 million), substance abuse community and school outreach (\$250,000, which is an increase of \$150,000), nonprofit mental health clinics (\$200,000), and includes new jail diversion fund (\$5.0 million), McLaren Greenlawn (\$4.5 million), Families Against Narcotics (\$4.0 million), and behavioral health patient health information tool (\$600,000).	GF/GP	\$3,800,000	\$14,250,000
POPULATION HEALTH			
53. Initiatives to Reduce Health Disparities – One-Time Funding	Gross	NA	\$8,375,000
Includes \$8.4 million Gross (\$5.1 million GF/GP) of one-time Policy and Planning Administration line item funding for new initiatives to reduce health disparities, including increasing use of community-based navigators to facilitate health care access, data sharing and interoperability improvements of Michigan Health Information Network, and implementation of statewide screening and referral tool for health related social needs.	Federal	NA	3,250,000
	GF/GP	NA	\$5,125,000
54. Human Embryo Constitution Provisions	Gross	\$0	\$100,000
Adds \$100,000 GF/GP in the Policy and Planning Administration line item for informational materials related to Section 27(2)(a) of Article I of the Michigan Constitution regarding human embryo and embryonic stem cell research. Sec. 1148 is related boilerplate.	GF/GP	\$0	\$100,000
55. Notice of Prohibited Use of State Funds – VETOED	Gross	\$0	\$0
Governor vetoed Sec 243 and related funding of \$50,000 GF/GP from the Policy and Planning Administration line item to provide notice and information to health providers and the public concerning the prohibited use of state restricted or state general funds by DHHS, grantees, or subcontractors to fund any elective abortion.	GF/GP	\$0	\$0
56. Free Health Clinics – One-Time Funding	Gross	\$400,000	\$250,000
Increases \$250,000 GF/GP for grants to free health clinics as one-time funding. Section 1977 is related boilerplate. Current year funding is in Primary Care Services line item.	GF/GP	\$400,000	\$250,000
57. Nurse Practitioner Expansion Pilot – One-Time Funding	Gross	\$0	\$1,573,000
Includes one-time funding of \$1.6 million GF/GP for a 4-year pilot program to increase the number of advanced practice psychiatric-mental health nurse practitioners, through Wayne State University. Sec. 1969 is related boilerplate and establishes funding as 4-year work project.	GF/GP	\$0	\$1,573,000
58. Healthy Communities Grant – One-Time Funding	Gross	\$300,000	\$0
Continues one-time funding of \$300,000 GF/GP for healthy living, obesity prevention, and substance abuse prevention programs of Leaders Advancing and Helping Communities. Sec. 1956 is related boilerplate.	GF/GP	\$300,000	\$0

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
59. Primary Care and Wellness Services – One-Time Funding	Gross	\$0	\$1,000,000
Provides one-time funding of \$1.0 million GF/GP for integrated health services and facility needs in southeast Michigan through TEAM Cares/Team Wellness. Sec. 1970 is related boilerplate.	GF/GP	\$0	\$1,000,000
60. Stroke and STEMI Initiative	Gross	\$0	\$3,000,000
Includes \$3.0 million GF/GP to establish a statewide stroke and STEMI (ST-elevation myocardial infarction) system of care for time-sensitive emergencies, integrated within the EMS and statewide trauma system. Sec. 1186 is related boilerplate. SB 521 is related proposed bill.	GF/GP	\$0	\$3,000,000
61. Healthy Moms Healthy Babies Expansion – Public Health	FTE	0.0	2.0
Increases funding by \$11.4 million Gross (\$8.0 million GF/GP) to annualize and expand public health Healthy Moms Healthy Babies maternal and infant health and support programs, new in FY 2020-21.	Gross	\$7,903,500	\$11,361,200
<ul style="list-style-type: none"> \$2.6 million Gross (\$301,200 GF/GP) annualizes new programs \$7.4 million Gross (\$6.3 million GF/GP) and authorization for 2.0 FTEs expands home visit programs by 1,000 visiting slots to support families with an infant born with substance exposure, and increases navigators, and mental health and other services \$1.4 million GF/GP supports mental health services through the Michigan Child Collaborative Care (MC3) at University of Michigan. 	Federal	0	3,410,000
	GF/GP	\$7,903,500	\$7,951,200
62. Lead Poisoning Prevention Fund – One-Time Funding	Gross	\$2,000,000	\$8,000,000
Increases one-time GF/GP funding to \$10.0 million for the Lead Poisoning Prevention Fund to support low-cost loans to homeowners and landlords to reduce lead exposure in the home. First funded in FY 2020-21. Sec. 1951 is related boilerplate.	GF/GP	\$2,000,000	\$8,000,000
63. Public Health Laboratory Fund Shift	Gross	\$26,655,100	\$0
Includes a net \$0 Gross laboratory services line item appropriation adjustment with a \$1.0 million GF/GP increase offset by a state restricted funds reduction of laboratory fee funds, reversing an adjustment made in FY 2019-20 using a fee fund balance.	IDG	995,700	0
	Federal	6,203,700	0
	Restricted	13,790,600	(1,000,000)
	GF/GP	\$5,665,100	\$1,000,000
64. Vital Records	Gross	\$10,686,700	\$600,000
Provides a net increase of \$600,000 Gross for vital records program, which includes an increase of \$1.4 million GF/GP to fund costs for PA 53 and PA 54 of 2020 and to offset reduced state restricted revenue of \$845,900 from vital records fees.	Federal	4,408,300	0
	Restricted	5,548,800	(845,900)
	GF/GP	\$729,600	\$1,445,900
65. Oral Health Assessment for Children	FTE	0.0	1.5
Appropriates \$3.3 million Gross (\$260,000 GF/GP) and authorization for 1.5 FTE positions in the Dental Programs line item to provide free oral health assessments to children entering public school kindergarten who do not have dental insurance, enacted under 2020 PA 261. \$1.5 million for services is from local school district funds originated from the state School Aid Fund. Private authorization of \$1.5 million is included for anticipated funding. Sec. 1343 is related boilerplate.	Gross	\$0	\$3,260,000
	Local	0	1,500,000
	Private	0	1,500,000
	GF/GP	\$0	\$260,000
66. Outstate Local Public Health Dental Clinics	Gross	\$1,550,000	\$200,000
Increases funding for outstate local public health dental clinics to \$1,750,000 GF/GP. Sec. 1317 is related boilerplate.	GF/GP	\$1,550,000	\$200,000
67. Immunization Public Information	Gross	\$24,991,500	\$50,000
Provides \$50,000 GF/GP for immunization reporting and public informational brochures for free distribution. Sec. 1322(2) is related boilerplate.	Federal	20,095,600	0
	Restricted	2,959,300	0
	GF/GP	\$1,936,600	\$50,000

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
68. Alternative Pregnancy and Parenting Program – VETOED		Gross	\$25,258,100
Governor vetoed Sec. 1307 and related funding of \$700,000 of federal TANF funding from the Prenatal Care Outreach and Service Delivery Support line item for Real Alternatives alternative pregnancy and parenting services program which promotes childbirth, alternatives to abortion, and grief counseling.		TANF	0
		Federal	12,453,300
		Restricted	50,000
		GF/GP	\$12,754,800
			\$0
69. Maternal Navigator Pilot Program – VETOED		Gross	\$0
Governor vetoed Sec. 1345 and related funding of \$3.0 million GF/GP for a new maternal navigator pilot program by nonprofit organizations in 2 geographically diverse areas to provide referrals and services to pregnant women; grantee organizations must promote childbirth and alternatives to abortion.		GF/GP	\$0
			\$0
70. Pregnancy Resource Center Grants – VETOED		Gross	\$0
Governor vetoed Sec. 1346 and related funding of \$1.5 million GF/GP for new grants to pregnancy resource centers, to be distributed equally to applicants; centers are defined as private nonprofit organizations that promote childbirth and alternatives to abortion, and provide referrals and information to pregnant women.		GF/GP	\$0
			\$0
71. Population Health PFAS GF/GP Reduction		Gross	\$500,000
Reduces PFAS and Environmental Contamination Response line item funding by \$500,000 for analytical laboratory equipment for PFAS contamination response based on prior-year lapsed funds.		GF/GP	\$500,000
			(\$500,000)
72. Lead Abatement Grant SCHIP Adjustments		Gross	\$32,757,500
Includes net \$0 Gross fund shift of \$494,900 from GF/GP to federal to recognize cost sharing adjustment for lead abatement grant. YTD shown is for Healthy Homes Program line item, of which \$18.2 million is federal Children’s Health Insurance Program (SCHIP) funds approved for use for lead abatement in Flint and other high-risk communities since FY 2016-17.		Federal	19,504,600
		Private	77,800
		Restricted	723,700
		GF/GP	\$12,451,400
			494,900
			0
			0
			(\$494,900)
73. Injury Control - Traumatic Brain Injury – One-Time Funding		Gross	\$0
Includes \$5.0 million GF/GP of one-time funding for decision support software in the treatment of traumatic brain injury, last funded in FY 2018-19. Sec. 1971 is related boilerplate.		GF/GP	\$0
			\$5,000,000
74. Population Health Technical Adjustments		FTE	NA
Recognizes \$16.9 million Gross for federal, local, private, state restricted, and GF/GP funding adjustments, including:		Gross	NA
<ul style="list-style-type: none"> \$9.4 million drug rebate revenue for AIDS Drug Assistance Program and 18.0 FTEs to administer contracts and finance \$2.4 million federal violence prevention funds \$2.8 million local revenue for child and adolescent health care \$200,000 net private funds for WIC program vendor system \$715,000 federal laboratory services grants \$300,000 restricted EMS licensure program fee revenue \$89,300 restricted newborn screening fee CPI increase \$802,100 interdepartmental grant funds from Department of Energy, Great Lakes, and Environment \$250,000 GF/GP for sexually transmitted disease control program. 		IDG	802,100
		Federal	3,085,000
		Local	2,800,000
		Private	9,614,500
		Restricted	389,300
		GF/GP	\$250,000
			18.0
			\$16,940,900
AGING AND ADULT SERVICES AGENCY			
75. Senior Community Services		Gross	\$46,806,100
Recognizes \$1.0 million of additional federal Older Americans Act Title III funds for senior community services programs, for supportive services.		Federal	22,980,400
		GF/GP	\$23,825,700
			1,000,000
			\$0

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
76. Senior Meals and Nutrition Services	Gross	\$43,054,200	\$3,500,000
Recognizes \$3.5 million of additional federal Older Americans Act Title III funds for senior nutrition services including congregate meals and home-delivered meals.	Federal	30,157,000	3,500,000
	Private	300,000	0
	GF/GP	\$12,597,200	\$0
77. Senior Citizen Center Grants – One-Time Funding	Gross	\$150,000	\$0
Continues one-time funding of \$150,000 GF/GP for a small grants program for health-related senior programs at multipurpose senior citizen centers. Sec. 1963 is related boilerplate.	GF/GP	\$150,000	\$0
78. Seniors – Dementia Unit – One-Time Funding	Gross	\$0	\$400,000
Provides \$400,000 GF/GP for dementia unit funding in a new line item as one-time funding.	GF/GP	\$0	\$400,000
MEDICAL SERVICES			
79. Sickle Cell Disease Coverage	FTE	NA	2.0
Includes \$6.7 million GF/GP and authorizes 2.0 FTE positions to expand sickle cell disease health services coverage through CSHCS for adults 21 years and over who age out of the program and are not eligible for Medicaid coverage. Also includes support for the Sickle Cell Disease Association of America, expanded clinical services, and \$50,000 GF/GP for IT modifications.	Gross	NA	\$6,650,000
	GF/GP	NA	\$6,650,000
80. Van Andel Institute	Gross	\$0	\$1,000,000
Includes \$1.0 million GF/GP for the Van Andel Institute as matching funds for federal and private biomedical research and science education.	GF/GP	\$0	\$1,000,000
81. Specialty Medicaid Managed Care Health Plan for Foster Children	Gross	NA	\$500,000
Includes \$500,000 Gross (\$250,000 GF/GP) to complete an actuarial analysis and any necessary federal approvals to create a specialty Medicaid managed care health plan for children in foster care to provide comprehensive medical, behavioral, and dental services.	Federal	NA	250,000
	GF/GP	NA	\$250,000
82. Medicaid Ambulance Rate Increase	Gross	NA	\$54,344,700
Includes \$53.3 million Gross (\$12.9 million GF/GP) to increase the Medicaid ambulance fee schedule to 100% of Medicare, net the Ambulance QAAP, Sec. 1788 is related boilerplate.	Federal	NA	41,423,700
	GF/GP	NA	\$12,921,000
83. ClaimSure Contract Savings	Gross	NA	(\$3,744,400)
Recognizes a reduction of \$3.7 million Gross (\$1.2 million GF/GP) resulting from a reduction in incorrect Medicaid payments identified by implementation of the ClaimSure system.	Federal	NA	(2,509,900)
	GF/GP	NA	(\$1,234,500)
84. MI Health Link – PERS	Gross	\$289,839,600	(\$3,750,000)
Recognizes a reduction of \$3.8 million Gross (\$1.2 million GF/GP) resulting from placing program beneficiaries only receiving services from the Personal Emergency Response System (PERS) into a lower rate tier, and realizing the capitation payment cost savings.	Federal	177,464,900	(2,513,600)
	GF/GP	\$112,374,700	(\$1,236,400)
85. MI Choice Expansion	Gross	\$372,327,100	\$19,125,000
Includes \$19.1 million Gross (\$4.4 million GF/GP) to increase the number of MI Choice slots by 1,000 by the end of FY 2021-22. Fund sourcing is not at a traditional FMAP, but utilizes a portion of the 10% FMAP increase for home- and community-based services within the federal American Rescue Plan Act.	Federal	243,465,800	14,719,500
	Private	500,000	0
	GF/GP	\$128,361,300	\$4,405,500

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
86. Healthy Moms Healthy Babies – Medicaid Postpartum Coverage	Gross	\$15,503,400	\$5,051,700
Increases funding by \$5.1 million Gross (\$1.4 million GF/GP) to annualize the expansion of postpartum coverage from 60 day to 12 months. Year-to-date funding would support 3/4 of a fiscal year.	Federal	11,192,500	3,653,000
	GF/GP	\$4,310,900	\$1,398,700
87. MiDocs	Gross	\$22,900,000	\$1,300,000
Adds \$1.3 million GF/GP to the MiDocs residential training program.	Federal	11,450,000	0
	Restricted	6,350,000	0
	GF/GP	\$5,100,000	\$1,300,000
88. Medicaid Private Duty Nursing	Gross	NA	\$2,600,000
Includes \$2.6 million Gross (\$933,400 GF/GP) to increase Medicaid private duty nursing rates.	Federal	NA	1,666,600
	GF/GP	NA	\$933,400
89. Medicaid Long-Term Care Rate Increase – One-Time Funding	Gross	\$2,051,483,200	\$37,500,000
Includes \$37.5 million federal Coronavirus State Fiscal Recovery Funds to provide additional financial resources to nursing facilities.	Federal	1,330,766,800	37,500,000
	Local	6,618,800	0
	Private	4,100,000	0
	Restricted	375,358,200	0
	GF/GP	\$334,639,400	\$0
90. Hospital Infrastructure Improvements – One-Time Funding	Gross	\$0	\$2,826,000
Includes \$2.8 million GF/GP to Sheridan Hospital for infrastructure improvements.	GF/GP	\$0	\$2,826,000
91. Community-Based Health Coverage Entity – One-Time Funding	Gross	\$0	\$1,000,000
Adds \$1.0 million GF/GP to Access Health to support the public share of the “three-share model” health care program for low income workers.	GF/GP	\$0	\$1,000,000
92. Northern Psychiatric Residency Program – One-Time Funding	Gross	\$0	\$5,200,000
Adds \$5.2 million Gross (\$2.6 million GF/GP) to establish psychiatric residents in 3 health care systems (War Memorial Hospital, McLaren Northern, and UP Health System Marquette).	Federal	0	2,600,000
	GF/GP	\$0	\$2,600,000
93. Complex Medical Condition Center – One-Time Funding	Gross	\$0	\$5,000,000
Includes \$5.0 million GF/GP to Children’s Healing Center for infection-controlled environment for programming for children with weak immune systems and their families and for facility renovations.	GF/GP	\$0	\$5,000,000
94. Medical Services Restricted Fund Adjustments	Gross	NA	\$0
Includes net-zero Gross adjustments, and a net reduction of \$58.5 million GF/GP, to backfill reductions in the Health and Safety Fund and recognize increases in revenues in various other state restricted funds.	Restricted	NA	58,510,100
	GF/GP	NA	(\$58,510,100)
ONE-TIME APPROPRIATIONS			
95. Remove FY 2020-21 One-Time Appropriations	Gross	\$406,228,800	(\$406,228,800)
Removes one-time appropriations included in FY 2020-21. Any of this funding that is retained into FY 2021-22 is noted elsewhere.	Federal	218,256,200	(218,256,200)
	Private	100,000	(100,000)
	GF/GP	\$187,872,600	(\$187,872,600)

Major Boilerplate Changes from FY 2020-21

GENERAL SECTIONS

Sec. 218. Basic Health Services – RETAINED (UNENFORCEABLE)

Lists eight health services to be included in annual list of proposed basic health services that are to be funded, available, and accessible throughout the state, as required under Part 23 of the Public Health Code; requires report by January 1 on reporting related to basic health services as required under Sec. 2311 of the Public Health Code. *(Governor's signing letter states section is unenforceable).*

Sec. 219. Contract with Michigan Public Health Institute – REVISED

Allows DHHS to contract with the Michigan Public Health Institute (MPHI) for public health projects and related activities; requires annual report and annual provision of all work produced from prior fiscal year funding. Revises to shorten MPHI agreement period for projects from 3 years to 1 year, and change reporting to semiannually.

Sec. 225. Public and Private Service Providers – RETAINED (UNENFORCEABLE)

Prohibits sanctions or suspensions from being more stringent for private providers than for public providers performing equivalent funded services; and prohibits preferential treatment for public or private service providers based on whether or not they have collective bargaining agreements with direct care workers. *(Governor's signing letter states section is unenforceable).*

Sec. 229. Interagency Agreement with LEO for Use of TANF Funds – REVISED (UNENFORCEABLE)

Requires DHHS to extend the interagency agreement with Department of Labor and Economic Opportunity (LEO) for TANF-funded job readiness and welfare-to-work programming including Michigan Works!; requires report by January 1 on certain information including TANF expenditures, clients served, job readiness referrals, and outcomes. Revises to recognize funding allocated for the Department's costs for the agreement and for reporting. *(Governor's signing letter states section is unenforceable).*

Sec. 236. Severance Payment Reporting – NEW

Requires DHHS to report severance pay for high ranking staff within 14 days after an agreement, and annual totals.

Sec. 237. Conditions on Funding Regarding COVID Information and Requirements – NEW

Prohibits DHHS from requiring proof of individual COVID vaccination to access state facilities or services, creating a COVID vaccine passport, or providing COVID vaccine status of an individual to any entity or person without the individual's consent. Also prohibits DHHS from requiring proof of COVID vaccination as a condition of certain employment or subjecting an individual to negative employment consequences because of COVID vaccine status, and requires exemptions to any COVID vaccine policy required to be established due to a federal mandate.

Sec. 239. Medicaid Reimbursement for Telemedicine – NEW

Requires DHHS to reimburse Medicaid telemedicine services the same as if the services involved face-to-face contact between the provider and patient; this applies to the non-facility component of the reimbursement rate.

Sec. 241. Advertising and Media Outreach Expenditures Report – NEW

Requires DHHS to report on total actual expenditures for advertising and media outreach for the previous fiscal year.

Sec. 242. Description of Programs Report – NEW

Requires DHHS to provide a detailed description of programs funded by appropriation line items in the current fiscal year.

Sec. 250. Prohibit Mandatory Face Covering Under Age 18 – NEW (UNENFORCEABLE)

Prohibits DHHS director or a local health officer from issuing or enforcing any orders or other directives that require an individual in this state who is under the age of 18 to wear a face mask or face covering. *(Governor's signing letter states section is unenforceable).*

Sec. 251. Epidemic Emergency Order Report – NEW

Requires DHHS to report within 7 days of issuance of an emergency order involving an epidemic on the nature and scope of the epidemic, areas of the state threatened, evidence relied upon, non-department resources and related costs, personnel responsible for developing the order, and factors to modify or terminate the order.

Sec. 258. Education Initiatives on Trauma, Human Trafficking, and Sexual Abuse Prevention – REVISED

Directs DHHS to collaboratively promote and support school and education initiatives including training regarding use of trauma-informed practices and age-appropriate information about human trafficking and sexual abuse prevention. Revises to include collaboration with Child Welfare Institute and with Department of State Police, and to add report.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes from FY 2020-21

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 309. Health Literacy Demonstration Project – DELETED

Requires department to design and implement a web-based intensive information therapy within Medicaid managed care in order to mitigate deficiencies in health literacy through connections between health care providers, beneficiaries and health plans.

COMMUNITY SERVICES AND OUTREACH

Sec. 462. Trauma Recovery Center Pilots – REVISED

Provides that if funding becomes available, DHHS shall allocate \$4.0 million to implement 4 trauma recovery center pilot projects and allows DHHS to develop a mobile trauma recovery center to serve rural areas.

CHILDREN'S SERVICES – CHILD WELFARE

Sec. 514. Child Protective Services Report – RETAINED (UNENFORCEABLE)

Requires report on Child Protective Services; lists specific information and statistics to be included in the report, including the actions and expenditures made to achieve compliance with Auditor General Audit Report 431-1285-16. (*Governor's signing letter states section is unenforceable*).

Sec. 517. Title IV-E Appeals Process – RETAINED (UNENFORCEABLE)

Requires DHHS to retain the same Title IV-E appeals policy as the existing policy in place in FY 2016-17. (*Governor's signing letter states section is unenforceable*).

Sec. 518. Supervisory Oversight of CPS Caseworker Reports – RETAINED (UNENFORCEABLE)

Requires supervisors to complete an initial read of a CPS caseworker's report and either approve the report or note any needed corrections within 5 business days; requires the caseworker to resubmit a corrected report within 3 business days. (*Governor's signing letter states section is unenforceable*).

Sec. 537 539. Residential Bed Space Standards and Preferences – NEW

Directs DHHS to collaborate with child caring institutions to develop a strategy to implement MCL 400.115o, which restricts out-of-state placements of youth and restricts placements of youth in state administered facilities over comparable private provider facilities.

Sec. 542. Court-Appointed Special Advocates (CASAs) and Foster Parent Input – NEW

Requires DHHS to develop strategies that use input from CASAs and foster care parents; requires report.

Sec. 543. Child Input in Judicial Proceedings – NEW

Requires DHHS to develop a clear policy that caseworkers ensure that foster care children are able to speak directly to the judge or magistrate to give input into their case's legal proceedings.

Sec. 544. Trauma-Informed Training – NEW

Provides that DHHS may require all foster care parents, caseworkers, and guardians ad litem to receive trauma-informed training.

Sec. 545. Trauma Support for Child Welfare Caseworkers – NEW

Requires DHHS to develop a program to offer trauma support and training that is consistent with the practices taught under the therapeutic crisis intervention training directly to all child welfare caseworkers to help with effects of secondary trauma.

Sec. 553. Child Abuse and Neglect Central Registry – NEW

Expresses intent of the Legislature that a CPS caseworker may not put individuals on the child abuse and neglect central registry without prior court approval.

Sec. 555. Foster Care Maintenance Payment After Petition of Adoption – NEW

Directs DHHS to explore the requirement to continue the regularly scheduled foster care maintenance payments to foster care parents after a petition of adoption has been filed until the child is no longer in their care.

Sec. 556. Family Foster Care Annual License Renewal – NEW

Requires DHHS to develop and implement a simpler and more streamlined family foster care renewal form and process.

Major Boilerplate Changes from FY 2020-21

Sec. 557. State Vehicle Use – NEW

Provides that if a state vehicle is not scheduled for other use, DHHS may consider an allowable use of a state vehicle for a caseworker to drive the vehicle to foster home visits or to their own home, if helpful in conducting caseworker's work.

Sec. 558. Child Welfare Training Institute – REVISED

Requires DHHS to provide all necessary pre-service training and materials to private agency staff. Staff may complete training in a hybrid, virtual, or in-person format.

Sec. 576. Kinship Caregiver Advisory Council – NEW

Expresses intent of the Legislature that DHHS shall establish a Kinship Caregiver Advisory Council within the department.

Sec. 577. Kinship Caregiver Navigator Program – NEW

Requires DHHS to explore the establishment of a Kinship Caregiver Navigator Program within DHHS.

Sec. 578. Foster Care Worker Apprenticeship Program – NEW

Requires DHHS to explore the implementation of a foster care worker apprenticeship program for college students majoring in social work or other human services field who are interested in working in child welfare; requires report.

Sec. 579. Foster Care Redetermination Hearings – NEW

Directs DHHS to require caseworkers to ensure a motion is filed with the court for foster care children to have court redetermination hearings more frequently than every 90 days when in the best interest of the child.

Sec. 595. CPS Staff and DHHS/Private Agency Caseload Ratio – RETAINED (UNENFORCEABLE)

Requires DHHS to expend the part 1 funding for CPS-caseload staff to hire/employ CPS staff to comply with the Office of the Auditor General 2018 CPS audit; requires that most new foster care cases be placed under a private child placing agency's supervision until the statewide ratio of foster cases is 55% for private agency supervision and 45% for DHHS supervision. (*Governor's signing letter states section is unenforceable*).

PUBLIC ASSISTANCE

Sec. 653. Domestic Violence Exemption to Food Assistance Requirements – REVISED

Exempts an individual who is the victim of domestic violence for up to an additional three months from the three-month in 36-month limit on receiving food assistance. Revises to add victims of human trafficking.

Sec. 660. Food Bank Council TANF Eligibility Reporting – DELETED

Requires the Food Bank Council to report data elements needed to establish TANF eligibility.

JUVENILE JUSTICE

Sec. 715. Raise the Age Program – NEW

Requires counties and tribal entities to have an approved budget plan in place as a condition of receiving funds from the Raise the Age Fund program. The budget plan must identify types of costs to be reimbursed, estimated costs for each item, and total estimated cost to be reimbursed. Reimbursement shall not exceed total estimated cost in plan. Reserves \$500,000 for tribal entities. Any funding not requested by tribal entities may be reallocated to counties.

BEHAVIORAL HEALTH SERVICES

Sec. 908. Uniform Community Mental Health Services Credentialing – NEW

Requires DHHS, PIHPs, and CMHSPs to implement Sec. 206b of the Mental Health Code to establish a uniform community mental health services credentialing program.

Sec. 912. Salvation Army Harbor Light Program – REVISED

Requires DHHS to contract with the Salvation Army Harbor Light Program for providing non-Medicaid substance use disorder services, if program meets standard of care. Adds requirement that the amount contracted to the program not be less than the amount provided during FY 2019-20.

Sec. 915. Community Substance Use Disorder Prevention Funding Allocation – NEW

Requires DHHS to allocate, to the extent possible, community substance use disorder prevention, education, and treatment and opioid response funding to PIHPs and CMHSPs and to 1 private entity that has a statewide contract.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes from FY 2020-21

Sec. 940. Transferring and Withdrawing CMHSP Allocations – REVISED

Requires DHHS to review CMHSP expenditures to identify projected lapses and surpluses, to encourage the board of the CMHSP with a projected lapse to concur with the recommendation to reallocate the lapse to other CMHSPs, and to withdraw funds from a CMHSP if those funds were not expended in a manner approved by DHHS, including for services and programs provided to individuals residing outside of the CMHSP's geographic region; prohibits a CMHSP from receiving additional funding if the CMHSP transferred out or withdrew funds during current fiscal year; requires CMHSPs to report any proposed reallocations prior to going into effect; requires legislative notification and report. Revises by removing the requirement to withdraw unspent funds if funds were not expended in a manner approved by DHHS.

Sec. 960. Autism Services Cost Containment – REVISED

Requires DHHS to continue to cover all autism services that were covered on January 1, 2019; to restrain costs required DHHS to develop written guidance for standardization; and requires 3-year reevaluations, unless a clinician recommended an earlier reevaluation, and require maintenance of statewide provider trainings, limits practitioners who can perform a diagnostic evaluation and requires evaluations performed by a master's level practitioner to be reviewed by a second practitioner, provide fidelity reviews and secondary approvals, and prohibit specific providers from providing both evaluation and treatment; requires a report. Removes prohibition against specific providers from providing both evaluation and treatment and adds physician assistants to the list of practitioners that can review initial diagnosis performed by a diagnostician with master's level credentials and that can confirm Medicaid evaluations concerning applied behavioral analysis (ABA) eligibility.

Sec. 977. Recovery High School Grant – REVISED

Allocates \$600,000 in grants to recovery high schools specifically designated for students recovering from a substance use disorder, and prohibits grants from exceeding \$150,000 per high school. Revises to allocate in accordance with section 273a of the Mental Health Code.

Sec. 978. Recovery Community Organization – REVISED

Allocates \$600,000 in grants to recovery community organizations to offer or expand recovery support center services or recovery community center services to individuals seeking long-term recovery from substance use disorders, and prohibits grants from exceeding \$150,000 per recovery community organization. Revises to allocate in accordance with section 273b of the Mental Health Code and increases grant amount to \$1.2 million.

Sec. 1005. Health Home Program Expansion – REVISED

Requires DHHS to maintain and expand the number of behavioral health homes in PIHP regions 1, 2, and 8 and to expand the number of opioid health homes in PIHP regions 1, 2, 4, and 9. Revises to maintain the current behavioral health and substance use disorder health homes and permits DHHS to expand into additional PIHP regions.

Sec. 1010. Behavioral Health Community Supports and Services – REVISED

Requires the funds appropriated for behavioral health community supports and services be used to expand assertive community treatment (ACT), forensic assertive community treatment, and supportive housing for the purpose of reducing waiting lists at state psychiatric hospitals. Adds crisis stabilization units and psychiatric residential treatment facilities to list of uses of the line.

Sec. 1015. Mental Health Block Grant Funding Allocation – NEW

Requires DHHS to allocate, to the extent possible, mental health block grant funding to PIHPs and CMHSPs and to 1 private entity that has a statewide contract.

POPULATION HEALTH

Sec. 1183. Emergency Medical Response Service Data Exemption – REVISED (UNENFORCEABLE)

Prohibits DHHS from requiring a medical first response service to submit data to the Michigan emergency medical services information system if the service is located in a county with less than 85,000 population, outlines written reporting required. Revises with technical changes. (*Governor's signing letter states section is unenforceable*).

Sec. 1222.(4) Local Emergency Order and Public Health Appropriations – NEW (UNENFORCEABLE)

Directs that essential local public health services funding shall be unappropriated to a local health department if a local health officer has an emergency order under Section 2453 of the Public Health Code in effect as of October 1, 2021. States that this subsection does not apply if a county board of commissioners passes a non-binding resolution to support any such emergency orders. (*Governor's signing letter states section is unenforceable*).

Major Boilerplate Changes from FY 2020-21

Sec. 1305. Contract Restrictions for Family Planning & Pregnancy Prevention – RETAINED (UNENFORCEABLE)

(1) Prohibits DHHS from contracting for family planning and pregnancy prevention services with an entity that engages in abortion activities under PA 360 of 2002, if another entity applies to provide those services that is not already engaged in abortion activities. (2) Requires DHHS to give a higher priority to a) contracting for services in counties where there are currently no contracts for services, before b) contracting for additional services by an entity that engages in abortion activities in a county where there are already services provided by an entity that does not engage in abortion activities. (*Governor's signing letter states section is unenforceable*).

Sec. 1347. Use of Funds for Activities Regarding Abortion or Human Embryo Use – NEW (UNENFORCEABLE)

Prohibits use of state funds for abortion counseling, referrals, or services, or for any activities regarding human cloning or research in which a human embryo is destroyed or discarded. (*Governor's signing letter states section is unenforceable*).

MEDICAL SERVICES

Sec. 1501. Electronic Health Records Incentive Program Work Project – DELETED

Establishes unexpended funds for the electronic health records incentive program as a work project appropriation with the tentative completion date to be September 30, 2025. Provides for the intent that funds also be available to dental providers.

Sec. 1508. Opioid Consulting – NEW (UNENFORCEABLE)

Prohibits DHHS from contracting with any private company that provided consulting services to opioid manufacturers that has reached a settlement with this state related to the opioid crisis. (*Governor's signing letter states section is unenforceable*).

Sec. 1616. Community Health Workers – NEW

Requires DHHS to consult with the federal government on avenues to utilize Medicaid-funded community health workers.

Sec. 1620. Pharmacy Dispensing Fee and Prescription Drug Co-payments – REVISED

Establishes the pharmacy dispensing fees based on the medication's standing on the DHHS preferred drug list; requires prescription co-payments for Medicaid recipients not enrolled in the Healthy Michigan Plan or with an income less than 100% of the federal poverty level of \$1 for generic drugs and \$3 for brand-name drugs; requires prescription co-payments for Healthy Michigan plan enrollees with an income of at least 100% of the federal poverty level of \$4 for generic drugs and \$8 for brand-name drugs. Revises to replace "customary cash charge" with "submitted dispensing fee", and makes various technical changes.

Sec. 1625. Medicaid Managed Care Pharmacy Benefits Managers – REVISED

Prohibits DHHS, beginning February 1, 2021, from entering into any contracts with a Medicaid managed care organization that relies on a pharmacy benefits manager that does not: 1) utilize a pharmacy reimbursement methodology of the National Average Drug Acquisition Cost plus a professional dispensing fee comparable to the Medicaid fee-for-service dispensing fees for pharmacies with not more than 7 retail outlets (and lists reimbursements when an ingredient does not have a National Average Drug Acquisition Cost listed); 2) reimburse for valid claims at the rate in effect at the time of original claim; 3) agree to transparent "pass-through" pricing, 4) agree to not create new fees or increase fees above inflation, and 5) agree to not terminate existing contracts for the sole reason of the additional professional dispensing fee. Removes beginning dates only.

Sec. 1846. Graduate Medical Education Priorities – REVISED

Requires DHHS to distribute GME funds with an emphasis on encouragement of the training of physicians in specialties, including primary care, that are necessary to meet future needs of this state, and training of physicians in settings that include ambulatory sites and rural locations. Revises to also emphasize training of pediatric psychiatrists.

Sec. 1854. PACE Enrollment Caps – NEW

Requires the PACE line to support not less than 6,920 enrollments.

Sec. 1875. Prior Authorization for Certain Drugs – REVISED

Applies prior authorization prohibition to DHHS and its contractual agents for psychotropic medications, drugs for the treatment of HIV or AIDS, epilepsy/seizure disorder, or drugs for organ transplant therapy, if those drugs were either carved out or not subject to prior authorization procedures as of January 22, 2020, defines "prior authorization"; and requires DHHS to explore including medications for the treatment of Duchenne Muscular Dystrophy to the list of Medicaid prescriptions not subject to prior authorization. Revises to prohibit prior authorization procedures on psychotropic medications if the drug is carved out and not subject to prior authorization as of January 22, 2021 and updates the date for other drugs to January 22, 2021.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes from FY 2020-21

Sec. 1876. Medicaid Coverage of Deflazacort – DELETED

Requires DHHS to include the corticosteroid deflazacort on the Medicaid health plan common formula.

Sec. 1880. Single Preferred Drug List Report and Rate Setting – DELETED

Requires DHHS to submit a report on estimated and actual expenditures and savings incurred from the single preferred drug list, requires DHHS to make any relevant adjustments to the rates to Medicaid managed care organizations to occur outside of the May caseload consensus.

Sec. 1881. Risk Corridor Financial Reconciliation – REVISED

Identifies savings assumptions from the 2-way risk corridor for Medicaid managed care organizations, requires a report and requires DHHS to make any relevant adjustments to the rates to Medicaid managed care organizations to occur outside of the May caseload consensus, and states intent that a 2-way risk corridor will not be in effect next fiscal year. Revises to prohibit including a 2-way risk corridor in the current fiscal year managed care rates.

INFORMATION TECHNOLOGY

Sec. 253 1910. Agile Software Development – REVISED

Requires DHHS to implement an agile software development plan funded with a time and materials contract, and to establish the state or the public domain as the software owner. Software design shall be user centered. Requires report at project initiation, and further updates to the legislature upon request. Includes definitions of terms. Revises to include requirement to utilize the Agile Software Development method when developing new information technology software, and requires a report.

**FY 2020-21 Supplemental Appropriation Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)**

1. Traditional Medicaid Cost Adjustments

Includes an increase of \$36.2 million Gross (reduction of \$585.4 million GF/GP) for traditional Medicaid program caseload/utilization/inflation and financing adjustments based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency. Total includes \$622.3 million GF/GP savings from an additional 6.2 percentage point increase to the state FMAP provided under the federal Families First Coronavirus Response Act for 3 quarters.

	Appropriation Change
Gross	\$36,218,800
Federal	600,124,800
Restricted	21,539,300
GF/GP	(\$585,445,300)

2. Healthy Michigan Plan Cost Adjustments

Includes an increase of \$407.5 million Gross (\$38.0 million GF/GP) for Healthy Michigan Plan caseload/utilization/inflation and financing adjustments based on the May caseload consensus.

Gross	\$407,491,800
Federal	369,446,500
GF/GP	\$38,045,300

3. Special Medicaid Payment Cost Adjustments

Includes an increase of \$147.8 million Gross (reduction of \$13.0 million GF/GP) in special Medicaid payment cost adjustments, including provider tax funded supplemental Medicaid payments and physician and dental adjuster payments based on the May caseload consensus.

Gross	\$147,779,600
Federal	211,689,000
Local	703,400
Restricted	(51,566,100)
GF/GP	(\$13,046,700)

4. Technical Funding Shifts

Includes technical funding shifts within various Child Support Enforcement line items for a net zero Gross and GF/GP funding change.

Gross	\$0
Federal	0
GF/GP	\$0

5. Child Welfare Caseload Adjustments

Includes a reduction of \$35.5 million Gross (\$13.4 million GF/GP) for child welfare caseload adjustments based on the May caseload consensus.

Gross	(\$35,486,000)
Federal	(8,624,200)
TANF	(7,418,200)
Local	(6,070,100)
Private	(7,400)
GF/GP	(\$13,366,100)

6. Child Welfare Enhanced FMAP Adjustments

Reflects as savings of \$11.6 million GF/GP due to adjustments to the enhanced FMAP match rate based on the May caseload consensus.

Gross	\$0
Federal	11,648,700
GF/GP	(\$11,648,700)

FY 2020-21 Supplemental Appropriation Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

	Appropriation Change
7. Adoption Subsidies Federal Funding Reduction	Gross (\$976,700)
Includes a reduction of \$976,700 in federal funding for the adoption subsidies program for medical subsidies as these costs will no longer be supported by capped federal funding.	Federal (976,700) GF/GP \$0
8. Foster Care Private Agency Residential Rate Increase	Gross \$4,208,100
Includes \$4.2 million Gross (\$3.9 million GF/GP) for residential rate increases for child caring institutions to help the agencies meet new residential treatment requirements established in the QRTP by the federal FFPSA.	Federal 309,600 GF/GP \$3,898,500
9. Federal Minority Health Grant	Gross \$550,000
Includes \$450,000 in federal funding for a new Federal Minority Health Grant to be administered by the Children's Trust Fund (CTF). Also provides \$100,000 in federal funding to the CTF for an increase to the Community-Based Child Abuse Prevention grant.	Federal 550,000 GF/GP \$0
10. Family Preservation Programs Federal Grant Funding – FFPSA Transition	Gross \$15,622,000
Includes \$15.6 million in federal grant funding to help transition family preservation and foster care programs into greater compliance with the requirements of the FFPSA.	Federal 15,622,000 GF/GP \$0
11. Settlement Monitor Contract Increase	Gross \$110,000
Includes \$110,000 Gross (\$92,900 GF/GP) to fund the increased cost of the settlement monitor contract of the Modified Implementation, Sustainability, and Exit Plan (MISEP) of Dwayne B. v. Whitmer.	Federal 17,100 GF/GP \$92,900
12. Raise the Age Information Technology	Gross \$581,700
Includes \$581,700 Gross (\$442,100 GF/GP) to fund information technology costs related to the Raise the Age program implementation.	Federal 139,600 GF/GP \$442,100
13. Public Assistance Caseload Adjustments	Gross (\$49,654,100)
Includes a reduction of \$49.7 million Gross (\$40.9 million GF/GP) for public assistance caseload adjustments based on the May caseload consensus.	TANF (7,816,800) Restricted (927,000) GF/GP (\$40,910,300)
14. Food Assistance Program Reinvestment	Gross \$5,192,100
Includes \$5.2 million GF/GP to support penalty payments to the federal government and the implementation of a state corrective action plan intended to address high payment error rates in the Food Assistance Program.	GF/GP \$5,192,100
15. Family Support Subsidy Caseloads Adjustments	Gross (\$992,100)
Reduces TANF by \$992,100 to support an estimated 4,600 family support subsidy cases.	TANF (992,100) GF/GP \$0
16. Federal State Opioid Response (SOR) Grant	Gross \$36,500,600
Includes \$36.5 million in federal SOR grant funding to increase access to medication-assisted treatments, addressing unmet treatment needs, and reducing opioid overdose deaths.	Federal 36,500,600 GF/GP \$0
17. State Psychiatric Hospital Enhanced FMAP Adjustments	Gross \$0
Includes a savings of \$2.5 million GF/GP for adjustments to the enhanced FMAP match rate.	Federal 2,534,300 GF/GP (\$2,534,300)
18. Technical Funding Shifts	Gross \$0
Includes technical funding shifts within various State Psychiatric Hospital line items for a net zero Gross and GF/GP funding change.	Federal 1,000,000 Local (2,000,000) Restricted 1,000,000 GF/GP \$0
19. Lead Abatement Grant SCHIP Adjustments	Gross \$0
Includes net \$0 Gross fund shift of \$1.0 million from GF/GP to federal to recognize cost sharing adjustment for federal lead abatement grant, from Children's Health Insurance Program (SCHIP) funds approved for use for lead abatement in Flint and other high-risk communities since FY 2016-17.	Federal 1,048,000 GF/GP (\$1,048,000)

HEALTH AND HUMAN SERVICES

FY 2020-21 Supplemental Appropriation Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

**Appropriation
Change**

20. Population Health Non-GF/GP Funds Adjustments

Recognizes \$18.7 million Gross for the following federal, local, private, and state restricted funding adjustments:

- \$9.4 million in drug rebate revenue for AIDS Drug Assistance Program and 18.0 FTE positions to administer contracts and finance
- \$2.4 million in federal violence prevention funds
- \$4.9 million in local revenue for child and adolescent health care
- \$1.0 million in private funds for WIC program vendor system
- \$715,000 in federal laboratory services grants
- \$300,000 in state restricted EMS licensure program fee revenue.

FTE	18.0
Gross	\$18,740,200
Federal	3,085,000
Local	4,900,000
Private	10,455,200
Restricted	300,000
GF/GP	\$0

21. Aging Community and Nutrition Services

Recognizes \$4.5 million of additional ongoing Older Americans Act Title III federal funds for senior programs including \$1.0 million for senior community supportive services, and \$3.5 million for senior nutrition services including congregate meals and home-delivered meals.

Gross	\$4,500,000
Federal	4,500,000
GF/GP	\$0

22. Tribal Pharmacy Administration

Includes \$1.5 million Gross (\$0 GF/GP) for IT changes to administer recent program changes to the tribal pharmacy rates. Private funding would come from revenues collected by the tribal health providers.

Gross	\$1,500,000
Federal	1,350,000
Private	150,000
GF/GP	\$0

23. Technical Funding Shifts

Includes technical funding shifts within various Medical Services Administration line items for a net zero Gross and GF/GP funding change.

Gross	\$0
Federal	0
GF/GP	\$0

24. Health and Safety Fund

Reduces state restricted Health and Safety Fund revenues by \$1.4 million and increases GF/GP by a like amount of GF/GP. Funding is used to support Disproportionate Share Hospital (DSH) payments.

Gross	\$0
Restricted	(1,389,900)
GF/GP	\$1,389,900

25. Civil Monetary Penalty Revenues

Authorizes an additional \$2.0 million in Civil Monetary Penalty revenues. Funding is used within the Long-Term Care Services line item.

Gross	\$2,000,000
Private	2,000,000
GF/GP	\$0

26. Medicaid Pharmaceutical Rebates

Authorizes an additional \$42.0 million in federal funding for processing Medicaid pharmaceutical claims before federal pharmaceutical rebates are incurred.

Gross	\$42,000,000
Federal	42,000,000
GF/GP	\$0

27. Medicaid Tribal Pharmaceutical Payments

Includes \$5.5 million Gross (\$0 GF/GP) to support reimbursement increases to tribal health providers for pharmaceutical services provided to non-tribal Medicaid recipients. Private funding would come from revenues collected by the tribal health providers.

Gross	\$5,500,000
Federal	5,000,000
Private	500,000
GF/GP	\$0

28. Child Abuse Prevention State Grants

Includes \$2.9 million in federal ARPA funding for state grants for child abuse prevention to support the prevention, assessment, investigation, prosecution, and treatment of child abuse and neglect.

Gross	\$2,889,000
Federal	2,889,000
GF/GP	\$0

29. Community-Based Child Abuse Prevention

Includes \$7.2 million in federal ARPA funding for community-based child abuse prevention grants to support the prevention, assessment, investigation, prosecution, and treatment of child abuse and neglect.

Gross	\$7,188,400
Federal	7,188,400
GF/GP	\$0

30. Family Caregivers for Seniors

Includes \$4.5 million in federal ARPA funding to support ongoing family caregiver programs administered by Area Agencies on Aging including caregiver training specific to caregiving duties, individual counseling, temporary respite care, and supplemental care.

Gross	\$4,477,400
Federal	4,477,400
GF/GP	\$0

FY 2020-21 Supplemental Appropriation Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

	Appropriation Change
31. Long-Term Care Ombudsman	Gross \$315,700
Includes \$315,700 in federal ARPA funding to enhance support for long-term care ombudsman programs, including information technology equipment and software for remote work and enhanced virtual presence in facilities, costs associated with community outreach, and costs for staff training, travel, and personal protective equipment (PPE).	Federal 315,700 GF/GP \$0
32. Low-Income Home Energy Assistance Program	Gross \$238,219,300
Includes \$238.2 million in federal ARPA funding to assist families with energy costs through services including home energy bill assistance, weatherization, and minor energy-related home repairs.	Federal 238,219,300 GF/GP \$0
33. Low-Income Household Water Assistance Program	Gross \$36,278,400
Includes \$36.3 million in federal Coronavirus relief funding to assist low-income households with water and wastewater bills.	Federal 36,278,400 GF/GP \$0
34. Preventive Services for Seniors	Gross \$1,389,100
Includes \$1.4 million in federal ARPA funding to expand and strengthen preventive services and health promotion systems administered by Area Agencies on Aging, including evidence-based interventions and programs related to senior health needs such as physical fitness, medication management, diabetes, and fall prevention.	Federal 1,389,100 GF/GP \$0
35. Supportive Services for Seniors	Gross \$14,471,700
Includes \$14.5 million in federal ARPA funding to enhance supportive services provided by Area Agencies on Aging to enable older residents to remain in their homes and communities.	Federal 14,471,700 GF/GP \$0
36. Chafee Education and Training Vouchers Grant	Gross \$1,366,900
Includes \$1.4 million in federal Coronavirus relief funding to provide financial resources to help with meeting postsecondary education and training needs of youth aging out of the foster care system.	Federal 1,366,900 GF/GP \$0
37. Chafee Foster Care Program for Transition to Adulthood	Gross \$10,220,000
Includes \$10.2 million in federal Coronavirus relief funding for Chafee foster care programs which help foster care children transition to adulthood.	Federal 10,220,000 GF/GP \$0
38. Expanding Senior Access to Vaccines	Gross \$1,578,500
Includes \$1.6 million in federal Coronavirus relief funding to increase access to COVID-19 vaccines for seniors. Funds would be awarded to Area Agencies on Aging to assist seniors with scheduling vaccine appointments, transportation, peer support, reminders to get second doses, and assistance to health departments or other vaccine providers for increasing accessibility.	Federal 1,578,500 GF/GP \$0
39. Federal No Wrong Door Grant	Gross \$886,900
Includes \$886,900 in federal Coronavirus relief funding to support access to long-term care services and supports for elderly and disabled residents. Federal No Wrong Door initiatives simplify and streamline access to long-term services and support options for older adults and individuals with disabilities.	Federal 886,900 GF/GP \$0
40. Initiatives to Address Health Disparities	Gross \$31,809,400
Includes \$31.8 million in federal Coronavirus relief funding to enhance the state's capacity and support state strategies to reduce COVID-19-related health disparities, and to improve and increase testing capabilities and contact tracing among underserved populations and populations at high risk, including racial and ethnic minority groups and people living in rural communities.	Federal 31,809,400 GF/GP \$0
41. Mental Health Block Grant	Gross \$31,979,300
Includes \$32.0 million in federal Coronavirus relief funding to provide mental health treatment to adults with serious mental illness and children with serious emotional disturbance.	Federal 31,979,300 GF/GP \$0

HEALTH AND HUMAN SERVICES

FY 2020-21 Supplemental Appropriation Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

		Appropriation Change
42. Emergency Behavioral Health Grant	Gross	\$2,860,000
Includes \$2.9 million in federal Coronavirus relief funding for crisis intervention and other recovery support services for children and adults with serious mental illness and substance use disorder.	Federal	2,860,000
	GF/GP	\$0
43. Promoting Safe and Stable Families Program for Foster Care Children	Gross	\$1,995,000
Includes \$2.0 million in federal Coronavirus relief funding for a Promoting Safe and Stable Families grant to fund programs that help support the safety and permanent placement of foster care children.	Federal	1,995,000
	GF/GP	\$0
44. Substance Abuse Prevention and Treatment Block Grant	Gross	\$34,828,000
Includes \$34.8 million in federal Coronavirus relief funding for increased Substance Abuse Prevention and Treatment Block Grant funding.	Federal	34,828,000
	GF/GP	\$0
45. Dental Oral Health Assessment for Children	Gross	\$385,000
Includes \$385,000 in one-time GF/GP funding for database development for a new dental oral health assessment program for children entering public school kindergarten who do not have dental insurance enacted under 2020 PA 261.	GF/GP	\$385,000
46. Federal Congregate and Home-Delivered Meals for Seniors	Gross	\$27,694,300
Includes \$27.7 million in federal Coronavirus relief funding to provide meals for seniors in congregate care settings and meal deliveries for seniors living at their homes.	Federal	27,694,300
	GF/GP	\$0
47. Federal Coronavirus Relief – Immunization and Vaccines	Gross	\$4,121,400
Includes \$4.1 million in federal Coronavirus relief funding for COVID-19 immunization and vaccine grant support from the Centers for Disease Control and Prevention.	Federal	4,121,400
	GF/GP	\$0

FY 2020-21 Supplemental Boilerplate Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

Sec. 601. Child Abuse State Grants

Designates appropriation for Child Abuse State Grants as a work project appropriation; specifies that the purpose of the appropriation is to support the prevention, assessment, investigation, prosecution, and treatment of child abuse and neglect.

Sec. 602. Community-Based Child Abuse Prevention

Designates appropriation for Community-Based Child Abuse Prevention as a work project appropriation; specifies that the purpose of the appropriation is to support the prevention, assessment, investigation, prosecution, and treatment of child abuse and neglect.

Sec. 603. Low-Income Household Water Assistance Program

Designates appropriation for Low-Income Household Water Assistance program as a work project appropriation; specifies that the purpose of the appropriation is to assist low-income households with water and wastewater bills.

Sec. 604. COVID-19 Chafee Education and Training Vouchers Grant

Designates appropriation for COVID-19 Chafee Education and Training Vouchers Grant as a work project appropriation; specifies that the purpose of the appropriation is to provide financial resources to meet postsecondary education and training needs of youth aging out of foster care.

Sec. 605. COVID-19 Substance Abuse Prevention and Treatment Block Grant

Designates appropriation for COVID-19 Substance Abuse Prevention and Treatment Block Grant as a work project appropriation; specifies that the purpose of the appropriation is to support prevention activities, treatment, and recovery support services to individuals and communities impacted by substance abuse.

Sec. 606. COVID-19 Federal No Wrong Door Grant

Designates appropriation for COVID-19 Federal No Wrong Door Grant as a work project appropriation; specifies that the purpose of the appropriation is to support access to long-term care services and supports for elderly and disabled residents.

FY 2020-21 Supplemental Boilerplate Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

Sec. 607. COVID-19 Initiatives to Address Health Disparities

Designates appropriation for COVID-19 Initiatives to Address Health Disparities as a work project appropriation; specifies that the purpose of the appropriation is to enhance the state's capacity and support strategies to reduce COVID-19-related health disparities, and to improve and increase testing capabilities and contact tracing among underserved populations and populations at high risk, including racial and ethnic minority groups and people living in rural communities.

Sec. 608. Preventive Services for Seniors

Designates appropriation for ARP - Preventive Services as a work project appropriation; specifies that the purpose of the appropriation is to expand and strengthen preventive services and health promotion systems administered by the Area Agencies on Aging.

Sec. 609. COVID-19 Expanding Senior Access to Vaccines

Designates appropriation for COVID-19 Expanding Senior Access to Vaccines as a work project appropriation; specifies that the purpose of the appropriation is to increase access to COVID-19 vaccines for seniors.

Sec. 610. Supportive Services for Seniors

Designates appropriation for ARP - Supportive Services as a work project appropriation; specifies that the purpose of the appropriation is to enhance supportive services provided by Area Agencies on Aging to enable older residents to remain in their homes and communities.

Sec. 611. Long-Term Care Ombudsman

Designates appropriation for ARP - Long-Term Care Ombudsman as a work project appropriation; specifies that the purpose of the appropriation is to support long-term care ombudsman programs in response to the COVID-19 pandemic.

Sec. 612. Federal Congregate and Home-Delivered Meals for Seniors

Designates appropriation for Federal Congregate and Home-Delivered Meals Funding as a work project appropriation; specifies that the purpose of the appropriation is to provide meals for seniors in congregate care settings and meal deliveries for seniors living at their homes.

Sec. 613. Family Caregivers for Seniors

Designates appropriation for ARP - Family Caregivers as a work project appropriation; specifies that the purpose of the appropriation is to support family caregivers by providing caregiver training specific to caregiving duties, individual counseling, temporary respite care, and supplemental care.

Sec. 614. COVID-19 Mental Health Block Grant

Designates appropriation for COVID-19 Mental Health Block Grant as a work project appropriation; specifies that the purpose of the appropriation is to provide mental health treatment to adults with serious mental illness and to children with serious emotional disturbance.

Sec. 615. Federal COVID Immunization and Vaccine Grant

Designates appropriation for Federal COVID Immunization and Vaccine Grant as a work project appropriation; specifies that the purpose of the appropriation is to increase COVID-19 vaccination capacity, facilitate safe administration and equitable distribution of COVID-19 vaccines, increase vaccine confidence through education, outreach, and partnerships, and implement community engagement strategies to promote COVID-19 vaccination efforts.

Sec. 616. Low-Income Home Energy Assistance Program

Designates appropriation for Low-Income Energy Assistance Program as a work project appropriation; specifies that the purpose of the appropriation is to provide energy assistance to low-income families, including energy bill assistance, weatherization, and energy-related minor home repairs.

Sec. 617. COVID-19 Chafee Foster Care Program for Transition to Adulthood

Designates appropriation for COVID-19 Chafee Foster Care Program for Transition to Adulthood as a work project appropriation; specifies that the purpose of the appropriation is to aid current and former foster care youth ages 14 to 21 transition to adulthood.

Sec. 618. COVID-19 Michigan Emergency Grant for SMI/SUD

Designates appropriation for COVID-19 Michigan Emergency Grant for SMI/SUD as a work project appropriation; specifies that the purpose of the appropriation is to provide mental health and substance use disorder services, treatment, and recovery support for individuals impacted by the COVID-19 pandemic.

HEALTH AND HUMAN SERVICES

FY 2020-21 Supplemental Boilerplate Items

Public Act 82 of 2021 (Senate Bill 82, Article 14)

Sec. 619. COVID-19 Promoting Safe and Stable Families Grant

Designates appropriation for COVID-19 Promoting Safe and Stable Families Grant as a work project appropriation; specifies that the purpose of the appropriation is to fund initiatives to improve the safety, well-being, and permanence of children in foster care.

Sec. 620. Dental Oral Assessment Database

Designates appropriation for Dental Oral Assessment Database as a work project appropriation; specifies that the purpose of the appropriation is to fund staffing and services needed to help implement the Dental Oral Assessment program.

HIGHER EDUCATION

Summary of FY 2021-22 Enacted with Vetoes

Public Act 86 of 2021 (House Bill 4400, Article 3)

Analyst: Perry Zielak

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
	\$0	\$0	\$0	--
Federal	126,026,400	128,526,400	2,500,000	2.0
Local	0	0	0	--
Private	0	0	0	--
Restricted	356,063,300	361,403,300	5,340,000	1.5
GF/GP	1,217,835,700	1,317,821,500	99,985,800	8.2
Gross	\$1,699,925,400	\$1,807,751,200	\$107,825,800	6.3

Notes:

(1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.

(2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Higher Education budget, contained in Article III of the compiled School Aid Act, provides funding for operational support of the state's 15 public universities, the AgBioResearch and Extension programs operated by Michigan State University; some retirement costs for employees who participate in the state public school employee retirement system; various financial aid programs for students attending public and independent colleges and universities in the state; and several other smaller higher education-related programs.

Major Budget Changes from FY 2020-21 YTD Appropriations**1. University Operations Increase**

Increases university operations funding by \$15.1 million GF/GP. This includes a one-time \$14.6 million GF/GP increase to operations grants for universities, a 1.0% increase, and a \$484,000 GF/GP increase based on FY 2019-20 North American Indian Tuition Waiver program costs reported by institutions. The one-time increase would be distributed in proportion to FY 2020-21 base operations, and would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.2% or \$590 (set at 4.25% or \$586 in the current year). Projected funding increases for individual universities would range from 0.8% to 1.1%. Total funding for operations would be \$1.5 billion Gross (\$1.1 billion GF/GP).

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Gross	\$1,473,667,300	\$15,091,500
Restricted	343,168,300	0
GF/GP	\$1,130,499,000	\$15,091,500

2. Michigan State University Extension and AgBioResearch Programs One-Time Funding Increase

Includes a one-time operations increase for MSU's AgBioResearch program of \$349,400 GF/GP and Extension program of \$301,400 GF/GP, a 1.0% increase for both programs. Total funding for AgBioResearch and Extension programs would be \$65.7 million GF/GP.

Gross	\$65,073,400	\$650,800
GF/GP	\$65,073,400	\$650,800

HIGHER EDUCATION

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
3. Michigan Public School Employee Retirement System (MPERS) State Share of Unfunded Actuarial Accrued Liability (UAAL) Stabilization Payment	Gross	\$11,695,000	\$86,541,700
	Restricted	11,695,000	1,800,000
	GF/GP	\$0	\$84,741,700
Increases funding by \$86.5 million Gross (\$84.7 million GF/GP). This includes a one-time \$84.7 million GF/GP increase and a \$1.8 million School Aid Fund (SAF) increase, a 740.0% gross increase. The state's share is the difference between the calculated unfunded accrued liability contribution to the system and the employer contribution cap of 25.73% of payroll for the seven universities with MPERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western). Funding for the state share of MPERS would be \$98.2 million (\$84.7 million GF/GP).			
4. MPERS Normal Cost Offset	Gross	\$1,200,000	\$3,540,000
	Restricted	1,200,000	3,540,000
	GF/GP	\$0	\$0
Increases reimbursement funding provided to universities by \$3.5 million SAF, a 295.0% increase, for the normal cost required to maintain the assumed rate of return for MPERS at 6.8%. Total funding for the MPERS Normal Cost Offset would be \$4.7 million GF/GP.			
5. Tuition Incentive Program	Gross	\$68,800,000	\$2,500,000
	Federal	68,800,000	2,500,000
	GF/GP	\$0	\$0
Increases Tuition Incentive Program (TIP) by \$2.5 million federal TANF funding, a 3.6% increase. TIP pays Medicaid-eligible students' tuition costs for associate degrees under Phase I and bachelor's degrees under Phase II. The increase addresses anticipated program growth in FY 2021-22. Total funding for TIP would be \$71.3 million TANF.			
6. Bay Mills Community College One-Time Pass-through Payment	Gross	\$1,000,000	(\$1,000,000)
	GF/GP	\$1,000,000	(\$1,000,000)
Removes \$1.0 million GF/GP in one-time funding to Bay Mills Community College, a tribal college, as a pass-through payment through Lake Superior State University. The payment helps the college offset the costs of educating non-Native American students.			
7. Japan Center for Michigan Universities	Gross	\$0	\$500,000
	GF/GP	\$0	\$500,000
Adds \$500,000 GF/GP in one-time funding to support operations at the Japan Center for Michigan Universities.			
8. Pregnant and Parenting Support Services – VETOED	Gross	\$0	\$0
	GF/GP	\$0	\$0
Adds \$500,000 GF/GP for pregnant and parenting support services. Universities that establish and operate a pregnant and parenting student services office according to the guidelines found in 2004 PA 500 are eligible for grants to operate the office.			
9. Midwestern Higher Education Compact	Gross	\$115,000	\$1,800
	GF/GP	\$115,000	\$1,800
Adds \$1,800 GF/GP for increased membership dues for an interstate compact to identify opportunities of cooperation, realize economies of scale and increase postsecondary opportunities for member states.			

Major Boilerplate Changes from FY 2020-21

Sec. 236b. Federal Contingency Funds – REVISED

Appropriates up to \$6.0 million in federal contingency funds for grants and financial aid, to be expended only after transfer to specific line items through the legislative transfer process. Revises wording of "contingency funds" to "contingency authorization."

Sec. 236h. MPERS One-Time Payment Detail – NEW

Adds language detailing the one-time payment for MPERS unfunded actuarial accrued liability contributions to the system for the seven universities with MPERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western) and states payments will be distributed no later than December 31, 2021.

Major Boilerplate Changes from FY 2020-21

Sec. 236i. FY 2020-21 One-Time Operational Support Payment Detail – NEW

Adds language detailing the one-time operational support payment for FY 2020-21, which would represent a 4% operations increase and would be distributed across-the-board. The operational support payment fulfills the maintenance of effort requirement for the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Sec. 245. Transparency Website and Various Reporting Requirements – REVISED

Requires each university to post on its website specified data on budget, revenue, expenditures, and employee compensation, as well as university performance data, information on transfer policies and opportunities for high school students to earn college credit, collective bargaining agreements, benefit plans, and audits. Adds requirement that universities submit information to the state budget director, who would compile and report the data to the House and Senate appropriation subcommittees on higher education and the House and Senate fiscal agencies.

Sec. 259. Department of Treasury Financial Aid Information Program – REVISED

Instructs the Department of Treasury to launch an aggressive information campaign about state scholarships and the eligibility requirements. Adds information on free or reduced tuition programs by community colleges and state universities.

Sec. 260. Student Loan and Financial Aid Website – REVISED

Requires the Department of Treasury, working with the Michigan College Access Network, the Michigan Association of State Universities (MASU), the Michigan Community College Association (MCCA), and Michigan Independent Colleges and Universities (MICU) to the extent possible, to create a website containing various student loan and other financial aid information. Requires universities to post a link to the website on their homepages. Adds information on promise zones, the federal public service loan forgiveness program and directs the Department of Treasury to inform each high school about the financial aid information website.

Sec. 265. Performance Funding Tuition and Fees Restraint Requirement – REVISED

Provides tuition restraint requirements in order to receive performance funding increase. Universities must limit resident undergraduate tuition and fee increase to 4.25% or \$586, whichever is greater. Revises requirement to apply to one-time operation supplemental payments for FY 2021-22. Revises tuition restraint cap for universities to the greater of 4.2% or \$590.

Sec. 268. North American Indian Tuition Waiver Reporting Requirements – REVISED

Requires Department of Civil Rights to report certain information related to the waivers, and requires universities and tribal colleges receiving waiver pass-through funding to provide data under guidelines and procedures developed by the Department of Civil Rights by January 15. Adds January 1 reporting deadline for universities.

Sec. 269. Saginaw Chippewa Tribal College North American Indian Tuition Waiver Funding – REVISED

Specifies a \$79,700 pass-through payment from Central Michigan's North American Indian Tuition Waiver appropriation to Saginaw Chippewa Tribal College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Section 268 to the Department of Civil Rights. Revises payment from \$79,700 to \$82,400.

Sec. 270. Bay Mills Community College North American Indian Tuition Waiver Funding – DELETED

Deletes language that specifies a \$0 pass-through payment from Lake Superior State's North American Indian Tuition Waiver appropriation to Bay Mills Community College for costs of Indian Tuition Waiver Program and requires the institution to report waiver information specified under Section 268 to the Department of Civil Rights.

Sec. 270b. Bay Mills Community College Non-Native Students Pass-Through Payment – DELETED

Deletes language that specifies a \$1.0 million pass-through payment from Lake Superior State University to Bay Mills Community College for the costs of educating non-Native American students and that requires Bay Mills to comply with various reporting requirements to the Center for Educational Performance and Information (CEPI); would require the state treasurer to have LSSU withhold payments of the pass-through in an instance of noncompliance.

Sec. 274d. Annual Sexual Assault/Title IX Reporting – REVISED

Requires public universities to submit their Title IX report on student sexual misconduct and a Title IX summary report to the higher education appropriations subcommittees, the fiscal agencies, the Attorney General, and the state budget director. Revises to have universities submit annual Clery Act report and adds two categories for the Title IX report.

Sec. 275d. Communication with the Legislature – REVISED (UNENFORCEABLE)

States legislative intent language that urges a university to not take disciplinary action against an employee for communicating with the legislature. Revises language to state a university shall not take action against employees for communicating with the legislature. (*Governor's signing letter states section is unenforceable.*)

HIGHER EDUCATION

Major Boilerplate Changes from FY 2020-21

Sec. 275g. 2020-21 Academic Year and Covid-19 Reporting Requirements – REVISED

Requires universities to report enrollment and student residential data for the 2020-21 academic year by September 30, 2021 and requires universities to report information related to online and COVID-19 fees, along with COVID-19 mitigation strategies and data by November 1, 2020. Deletes prior language and adds a reporting requirement on all federal funding received related to the COVID-19 pandemic and post the report on a public website.

Sec. 275h. Campus Advocacy Policy – NEW

Adds legislative intent language that universities adopt advocacy policies for distribution and demonstrations around first amendment activities and political speech.

Sec. 275i. Students with Dependent Children Data Reporting Requirement – DELETED

Deletes language that requires public universities to collect data on students with dependent children, such as the number of enrolled students with dependents, programs and resources available, and the barriers preventing students from completing a degree.

Sec. 275i. University COVID-19 Vaccination Exemption Requirement – NEW (UNENFORCEABLE)

Adds language detailing exemptions and reporting requirements that universities must provide if a campus mandatory vaccine policy is implemented. (*Governor’s signing letter states section is unenforceable.*)

Sec. 275j. Pregnant and Parenting Student Support Services Requirements – NEW (VETOED)

Adds language detailing the pregnant and parenting student support services program, states that individual institutional awards for the program cannot exceed \$50,000 and must have a 30% university match, gives the Department of Labor and Economic Opportunity administrative responsibility for the program, and adds a reporting requirement for universities that establish a program. *Governor vetoed section because it was considered tied to Sec. 236(10), the line funding the pregnant and parenting student services program that was also vetoed.*

Sec. 281a. Martin Luther King, Jr. – Cesar Chavez – Rosa Parks (KCP) Reporting Requirement – REVISED

Requires public universities to report data about the six support programs behind the King-Chavez-Parks university programs to the Department of Labor and Economic Opportunity by February 15. Adds various reporting requirements for KCP programs.

Sec. 282. Unspent KCP Funds Reporting Requirement and Reallocation – REVISED (UNENFORCEABLE)

Provides for reallocation of KCP grant funds from institutions that do not fully expend their funds. Requires report that details unexpended funds and plan to expend remaining funds by end of fiscal year. Adds restrictions that funds cannot be used for direct or indirect financial aid. (*Governor’s signing letter states section is unenforceable.*)

Sec. 286b. Bachelor of Science in Nursing Articulation Agreements Reporting – NEW

Adds a reporting requirement on a summary of efforts for any university seeking articulation agreements with community colleges on a bachelor of science in nursing.

Sec. 291. Auditor General University Performance Audits – REVISED

Permits the Office of Auditor General to conduct performance audits of public universities. Adds reference to article IV of the state constitution.

FY 2020-21 Supplemental Appropriation Items

		Appropriation Change
1. University Operations Payment for Maintenance of Effort (MOE) Requirement	Gross	\$57,304,000
Includes \$57.3 million GF/GP for university operations grant funding. The funding restores reductions made to operations grants in FY 2019-20, which would meet the MOE requirements in the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.	GF/GP	\$57,304,000

FY 2021-22 University Operations Appropriations
Enacted Summary

University	FY 2020-21 Indian Tuition Waiver Payment*	FY 2020-21 Base Appropriation	FY 2021-22 One-Time Supplemental Funding	FY 20 Indian Tuition Waiver Cost	Indian Tuition Waiver Pass- through adjustments	Indian Tuition Waiver Adjustment	Total FY 22 Indian Tuition Waiver Payment	Proposed Total FY 2021-22 Appropriation	Change From Percent Change	Change From FY 2020-21 Total
Central	\$1,964,500	\$87,600,000	\$876,000	\$1,882,100	\$82,400	\$0	\$1,964,500	\$90,440,500	1.0%	\$876,000
Eastern	301,500	77,253,700	772,500	279,700	-	(21,800)	279,700	78,305,900	1.0%	750,700
Ferris	908,800	55,025,500	550,300	965,800	-	57,000	965,800	56,541,600	1.1%	607,300
Grand Valley	1,177,200	72,313,500	723,100	1,177,200	-	0	1,177,200	74,213,800	1.0%	723,100
Lake Superior	1,945,100	13,307,000	133,100	926,500	-	(1,018,600)	926,500	14,366,600	(5.8%)	(885,500)
Michigan State	1,604,000	287,331,700	2,873,300	1,932,800	-	328,800	1,932,800	292,137,800	1.1%	3,202,100
Michigan Tech	693,600	50,101,600	501,000	769,300	-	75,700	769,300	51,371,900	1.1%	576,700
Northern	1,060,600	47,809,100	478,100	1,001,500	50,000	(9,100)	1,051,500	49,338,700	1.0%	469,000
Oakland	266,100	53,147,400	531,500	334,000	-	67,900	334,000	54,012,900	1.1%	599,400
Saginaw Valley	219,500	30,583,800	305,800	153,900	-	(65,600)	153,900	31,043,500	0.8%	240,200
UM-Ann Arbor	961,000	321,970,100	3,219,700	1,075,600	-	114,600	1,075,600	326,265,400	1.0%	3,334,300
UM-Dearborn	167,800	26,167,000	261,700	165,000	-	(2,800)	165,000	26,593,700	1.0%	258,900
UM-Flint	348,200	23,616,200	236,200	345,000	-	(3,200)	345,000	24,197,400	1.0%	233,000
Wayne State	462,200	202,996,700	2,030,000	469,700	-	7,500	469,700	205,496,400	1.0%	2,037,500
Western	841,700	111,522,200	1,115,200	795,300	-	(46,400)	795,300	113,432,700	1.0%	1,068,800
TOTAL:	\$12,921,800	\$1,460,745,500	\$14,607,500	\$12,273,400	\$132,400	(\$516,000)	\$12,405,800	\$1,487,758,800	1.0%	\$14,091,500

* Includes a Lake Superior State \$1.0 million one-time pass-through payment to Bay Mills Community College

Requirements to receive one-time supplemental funding payment for FY 2021-22:

1. Restrain FY 2021-22 resident undergraduate tuition and fee rate increase to 4.2% or \$590 (whichever is greater)
2. Participate in at least three reverse transfer agreements with community colleges
3. Maintain a dual enrollment credit policy that does not consider if credits were used toward high school graduation
4. Actively participate in and submit timely updates to the Michigan Transfer Network

Requirements to avoid a 10% reduction in operations funding:

1. Submit Sec. 274c & 274d Title IX reports
2. Comply with various Title IX requirements listed in Sec. 265b

HIGHER EDUCATION

**FY 2021-22 University Operations Appropriations
Enacted Summary**

University	FY 2020-21 Indian Tuition Waiver Payment*	FY 2020-21 Base Appropriation	Allocation from Sec. 236i	Revised Total FY 2020-21 Appropriation	Percent Change	Change From Original FY 2020-21 Total
Central	\$1,964,500	\$87,600,000	\$3,437,300	\$93,001,800	3.9%	\$3,437,300
Eastern	301,500	77,253,700	3,030,400	80,585,600	3.9%	3,030,400
Ferris	908,800	55,025,500	2,158,400	58,092,700	3.9%	2,158,400
Grand Valley	1,177,200	72,313,500	2,836,600	76,327,300	3.9%	2,836,600
Lake Superior	1,945,100	13,307,000	525,900	15,778,000	4.0%	525,900
Michigan State	1,604,000	287,331,700	11,270,800	300,206,500	3.9%	11,270,800
Michigan Tech	693,600	50,101,600	1,965,300	52,760,500	3.9%	1,965,300
Northern	1,060,600	47,809,100	1,875,400	50,745,100	3.9%	1,875,400
Oakland	266,100	53,147,400	2,084,800	55,498,300	3.9%	2,084,800
Saginaw Valley	219,500	30,583,800	1,199,700	32,003,000	3.9%	1,199,700
UM-Ann Arbor	961,000	321,970,100	12,629,500	335,560,600	3.9%	12,629,500
UM-Dearborn	167,800	26,167,000	1,026,400	27,361,200	3.9%	1,026,400
UM-Flint	348,200	23,616,200	926,400	24,890,800	3.9%	926,400
Wayne State	462,200	202,996,700	7,962,600	211,421,500	3.9%	7,962,600
Western	841,700	111,522,200	4,374,500	116,738,400	3.9%	4,374,500
TOTAL:	\$12,921,800	\$1,460,745,500	\$57,304,000	\$1,530,971,300	3.9%	\$57,304,000

* Includes a Lake Superior State \$1.0 million one-time pass-through payment to Bay Mills Community College

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 7)

Analyst: Marcus Coffin

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
IDG/IDT	\$728,600	\$724,600	(\$4,000)	(0.5)
Federal	1,017,100	1,017,100	0	0.0
Local	0	0	0	--
Private	0	0	0	--
Restricted	71,570,000	71,245,900	(324,100)	(0.5)
GF/GP	0	0	0	--
Gross	\$73,315,700	\$72,987,600	(\$328,100)	(0.4)
FTEs	378.5	378.5	0.0	0.0

Notes:

- (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.
- (2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Department of Insurance and Financial Services (DIFS) is responsible for regulating and promoting the insurance and financial services industries operating within the state. The department also provides consumer protection by managing consumer information and inquiries and investigating consumer complaints. DIFS administers and enforces state statutes pertaining to state-chartered banks and credit unions; mortgage brokers, lenders, and servicers; consumer finance entities; insurance companies, agents, and products; and health maintenance organizations.

Major Budget Changes from FY 2020-21 YTD Appropriations

1. Technical Adjustments

Includes two net-zero adjustments within the budget to align appropriations with departmental regulatory activities:

- Internally transfers \$2.4 million in restricted authorization and 10.0 FTE positions from the Insurance Evaluation line item to the Consumer Services and Protection line item.
- Decreases restricted authorization from the Insurance Bureau Fund by \$2.0 million while increasing restricted authorization from Insurance Licensing and Regulation Fees by \$2.0 million, to align with regulatory activity. DIFS indicated that the volume of insurance licensing has increased over the last several fiscal years, resulting in increased revenue to the Insurance Licensing and Regulation Fund.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Gross	NA	\$0
Restricted	NA	0
GF/GP	NA	\$0

2. Economic Adjustments

Reflects decreased costs of \$328,100 Gross (\$0 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), overtime increases, increased longevity, higher actuarially required retirement contributions, increased building occupancy charges, decreases in other employee retirement costs, decreases in worker's compensation, and other economic adjustments.

	Gross	NA	(\$328,100)
IDG/IDT	NA	NA	(4,000)
Restricted	NA	NA	(324,100)
GF/GP	NA	NA	\$0

INSURANCE AND FINANCIAL SERVICES

Major Boilerplate Changes from FY 2020-21

Sec. 207. *Out-of-State Travel* – REVISED

Stipulates conditions when DIFS may send employees on out-of-state travel; limits expenditure of state funds on out-of-state professional development conferences; requires detailed report on all out-of-state travel. Revised to strike sections delineating conditions under which out-of-state travel is permissible and to modify report content requirements.

Sec. 216. *FTE Vacancies and Remote Work Report* – REVISED

Requires DIFS to submit a quarterly report on FTE staffing and a semiannual report on remote work and associated metrics. Revised the reporting frequency for the remote work report to annually by March 1.

Sec. 221. *Severance Pay Report* – NEW

Requires DIFS to report the name and any amount of severance pay given to any high-ranking department official; requires DIFS to maintain an internet site that posts any severance pay in excess of 6 weeks of wages for a former employee of any rank; requires DIFS to report on the total amount of severance pay remitted to former employees during the prior fiscal year and the number of those employees; defines “severance pay”.

Sec. 222. *Prohibition on COVID-19 Vaccine Status Verifications* – NEW

Prohibits state entities receiving funding from requiring proof of COVID-19 vaccination as a condition of accessing any state services or facilities, producing COVID-19 vaccine passports, developing or making a database accessible with individuals’ COVID-19 vaccination status, requiring proof of COVID-19 vaccination as a condition of employment, and taking any negative employment action due to an individual’s COVID-19 vaccination status; requires exceptions be provided if federal policy requires the creation of a COVID-19 vaccine policy.

Sec. 302. *Conservatorship and Insurance Liquidation Funds* – REVISED

Requires funds collected by DIFS in connection with a conservatorship pursuant to section 32 of 1987 PA 173 and from corporations being liquidated pursuant to 1956 PA 218 to be appropriated for expenses necessary to provide required services and to not lapse to the General Fund; limits appropriations under the section and Sec. 303 to \$300,000. Revised the appropriation limit to \$400,000.

Sec. 303. *Fees for Customized Listings* – REVISED

Permits DIFS to provide customized listings of non-confidential information to interested parties and to charge reasonable fees; states that funds lapse to appropriate restricted fund accounts and limits amount appropriated under this section and Sec. 302 to \$300,000. Revised the appropriation limit to \$400,000.

Sec. 304. *Out-of-Network Billing Complaints Report* – DELETED

Requires DIFS to submit a report on out-of-network billing complaints; delineates information to be included.

Sec. 305. *Anti-Fraud Unit Report* – DELETED

Requires DIFS to provide a mid-year update to the Anti-Fraud Unit report required under section 6303 of 1956 PA 218.

Sec. 306. *Consumer Services Complaints Report* – DELETED

Requires DIFS to submit a report regarding the amount of consumer complaints received, the process for handling complaints, and complaint outcomes.

Sec. 306. *Annual Report* – NEW

Requires DIFS to submit a statutory report required under the Banking Code of 1999 (1999 PA 276) and the Insurance Code of 1956 (1956 PA 218) to the subcommittees at the time of the report’s publication.

Sec. 308. *State or Regional Health Care Claims Database* – NEW

Requires DIFS to consider criteria enumerated in the section when awarding federal funds for any contract for the creation of a state or regional health care claims database.

JUDICIARY
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 8)

Analyst: Robin R. Risko

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
	\$1,552,800	\$1,652,300	\$99,500	6.4
Federal	6,393,500	6,374,800	(18,700)	(0.3)
Local	7,654,500	7,619,800	(34,700)	(0.5)
Private	1,228,500	1,222,600	(5,900)	(0.5)
Restricted	94,877,600	94,312,700	(564,900)	(0.6)
GF/GP	201,934,300	209,280,900	7,346,600	3.6
Gross	\$313,641,200	\$320,463,100	\$6,821,900	2.2
FTEs	513.0	524.0	11.0	2.1

Notes:

- (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.
- (2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

Article VI of the State Constitution of 1963 forms the basis for Michigan's judicial branch of government. The Judiciary budget provides operational funding for the Michigan Supreme Court, the Court of Appeals, and related judicial agencies. The budget funds the salaries of justices of the Supreme Court and judges of the appeals, circuit, probate, and district courts according to constitutional and statutory requirements. Funding assistance for local trial court operations is provided through a variety of grant programs. The largest of these, the Court Equity Fund Reimbursement program, reimburses counties for trial court operations based on a statutory formula that recognizes circuit and probate caseloads and the number of judgeships.

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
1. Judicial Compensation – Court Fee Fund Adjustment	Gross	NA	\$0
Includes \$1.4 million GF/GP to cover a shortfall in the amount of Court Fee Fund revenue available to support payment of salaries for circuit and probate court judges.	Restricted	NA	(1,358,600)
	GF/GP	NA	\$1,358,600
2. Compliance with U.S. Supreme Court Decision Regarding Juvenile Lifers	FTE	NA	7.0
Includes \$939,100 in one-time GF/GP funding and authorization for 7.0 FTE positions for the State Appellate Defender Office (SADO) to ensure compliance with the U.S. Supreme Court ruling on the <i>Montgomery v. Louisiana</i> case. SADO provides post-conviction representation of juvenile lifers. There are approximately 57 clients awaiting contested hearings.	Gross	NA	\$939,100
	GF/GP	NA	\$939,100
3. Statewide e-File Implementation	FTE	12.0	8.0
Includes an additional \$821,800 in Electronic Filing Fee Fund revenue and authorization for an additional 8.0 FTE positions to support continued implementation, operation, and maintenance of the statewide electronic filing system pursuant to Public Acts 230 through 234 of 2015. The system will be rolled out to all trial courts starting in 2021.	Gross	\$10,220,600	\$821,800
	Restricted	10,220,600	821,800
	GF/GP	\$0	\$0

JUDICIARY

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
4. Justice for All Initiative	FTE	NA
Includes \$798,000 GF/GP and authorization for 2.0 FTE positions for the Justice for All Commission to implement a strategic plan for systemic simplification of court rules and processes, including court forms. Funding will also be used for training for judges and court staff, working with Michigan Legal Help to develop an online forms portal, establishing a framework for increased court and community engagement, and developing performance metrics for access to justice.	Gross	NA
	GF/GP	NA
		2.0
		\$798,000
		\$798,000
5. Clean Slate – Criminal Record Expungement	Gross	NA
Includes \$605,000 GF/GP to support ongoing costs related to implementation of the Michigan Clean Slate Initiative which will make criminal record expungement automatic for all people who are eligible. People with no more than 1 felony or 2 misdemeanors will see their records expunged after 7 years of no criminal violations under Public Acts 187 through 193 of 2020.	GF/GP	NA
		\$605,000
		\$605,000
6. Problem Solving Courts	Gross	\$19,091,900
Includes \$600,000 GF/GP for expansion of problem solving courts. Additional funding will be allocated to Drug Treatment Courts (\$400,000), Mental Health Courts (\$100,000), and Veterans Treatment Courts (\$100,000).	GF/GP	\$19,091,900
		\$600,000
		\$600,000
7. Court of Appeals Operations	Gross	\$25,252,500
Restores \$497,300 of the \$547,900 GF/GP that was reduced from the FY 2020-21 budget as part of statewide budget reductions. Funding will allow the Court of Appeals to backfill leadership and support positions at the Court of Appeals office in Detroit, as well as to provide additional support for the court's information systems.	GF/GP	\$25,252,500
		\$497,300
		\$497,300
8. Judicial Tenure Commission	FTE	7.0
Includes \$386,300 GF/GP (\$182,300 ongoing and \$204,000 one-time) and authorization for 1.0 FTE position for the Judicial Tenure Commission to add one permanent staff attorney and to continue paying contract attorneys for their work on addressing case backlog.	Gross	\$1,408,700
	GF/GP	\$1,408,700
		1.0
		\$386,300
		\$386,300
9. State Appellate Defender Office Attorneys	Gross	NA
Restores \$360,700 of GF/GP that was reduced from the FY 2020-21 budget as part of statewide budget reductions. Funding will be used to backfill 3.0 public defender positions to help maintain the statutory minimum 25% appellate caseload.	GF/GP	NA
		\$360,700
		\$360,700
10. Michigan Legal Self-Help Program	Gross	NA
Includes \$200,000 GF/GP for additional support for Michigan Legal Help program website and centers. The program provides free legal information and assistance to individuals who represent themselves in simple civil legal matters.	GF/GP	NA
		\$200,000
		\$200,000
11. Jail Reform Advisory Support	FTE	NA
Includes \$150,000 GF/GP and authorization for 1.0 FTE position to support implementation of recently enacted criminal justice reforms and the Jail Reform Advisory Council established under Executive Order 2021-5, and for educating and training judges on pretrial reform.	Gross	NA
	GF/GP	NA
		1.0
		\$150,000
		\$150,000
12. Michigan Justice Training Fund Grant	Gross	NA
Authorizes the Michigan Judicial Institute to receive and expend \$100,000 of Michigan Justice Training Fund competitive grant revenues awarded to the institute by the Michigan Commission on Law Enforcement Standards for training court support personnel.	IDG	NA
	GF/GP	NA
		100,000
		\$100,000
		\$0

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
13. Judgeship Changes	Gross	NA
Reflects a savings of \$164,400 GF/GP from elimination of 1.0 district court judgeship in Shiawassee County pursuant to 2012 PA 17. The amount of savings is for the full year, as the effective date of elimination was January 1, 2021.	GF/GP	NA
		(\$164,400)
		(\$164,400)
14. Eliminate Current Year One-Time Funding	FTE	8.0
Reduces the budget by \$1.8 million GF/GP and 8.0 FTE positions to reflect elimination of one-time funding included in the FY 2020-21 budget. Eliminated funding includes: \$881,100 (7.0 FTE positions) for the State Appellate Defender Office to ensure compliance with the U.S. Supreme Court ruling on the <i>Montgomery v. Louisiana</i> case, \$600,000 for expansion of problem solving courts, and \$325,700 (1.0 FTE position) for pretrial risk assessment.	Gross	\$1,806,800
	GF/GP	\$1,806,800
		(\$1,806,800)
		(\$1,806,800)
15. Economic Adjustments	Gross	NA
Reflects a net increase in costs of \$3.3 million Gross (\$3.4 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA
	Federal	NA
	Local	NA
	Private	NA
	Restricted	NA
	GF/GP	NA
		\$3,334,900
		(500)
		(18,700)
		(34,700)
		(5,900)
		(28,100)
		\$3,422,800

Major Boilerplate Changes from FY 2020-21

Sec. 215. Disciplinary Action Against State Employees – RETAINED (UNENFORCEABLE)

Prohibits the judicial branch from taking disciplinary action against employees for communicating with legislators or their staff unless the communication is prohibited by law and the judicial branch is exercising its authority. (*Governor's signing letter states this section is unenforceable.*)

Sec. 216. Input on Foster Care Cases – DELETED

Expresses legislative intent that judges presiding over hearings on foster care cases publicly acknowledge and request input from foster parent(s) during hearings.

Sec. 217. Changes to Foster Care Family Service Plans – DELETED

Expresses legislative intent that judges presiding over foster care cases provide explanations in court records for any changes made to foster care family service plans.

Sec. 309. Report on Problem-Solving Courts – REVISED

Requires SCAO to provide a statistical report on drug treatment, mental health, and veterans court programs, including the number and types of programs, number of program participants in each jurisdiction, and program impacts on offender criminal involvement and recidivism. Revised reporting requirement to include an accounting of prior year expenditures, including grant amounts requested, grant amounts awarded, and grant amounts expended by courts.

Sec. 316. Pretrial Risk Assessment – DELETED

Requires SCAO to continue to pilot a pretrial risk assessment tool in an effort to provide relevant information to judges so they can make evidence-based bond decisions; requires SCAO to report on the status of the program, including an assessment of the effectiveness of the tool, plans to expand use of the tool, and details on expenditures and allocations.

Sec. 317. Judicial Car Leases – DELETED

Prohibits funding from being used for permanent assignment of state-owned vehicles to justices or judges or any other judicial branch employee.

Sec. 324. Medication-Assisted Treatment Program – REVISED

Requires judiciary to maintain a medication-assisted treatment program to provide treatment for opioid- and alcohol-addicted individuals who are referred to and who voluntarily participate in the program. Revised to require a report on amounts spent, number of participants, and statistics that indicate average program participation duration and success rates.

JUDICIARY

Major Boilerplate Changes from FY 2020-21

Sec. 403. Oral Fluid Testing Pilot Program – REVISED (Renumbered to Sec. 310.)

Requires SCAO to allocate \$100,000 of funding appropriated for expansion of problem-solving courts to create a pilot program in a veterans treatment court, mental health treatment court, or both, that investigates the effectiveness of oral fluid testing to determine compliance with required mental health medications or requirements. Revised to require a report on number of programs established, number of program participants, and rearrest rate of participants while participating in the program.

FY 2020-21 Supplemental Appropriation Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

**Appropriation
Change**

1. Michigan Justice Training Fund Grant

Authorizes the Michigan Judicial Institute to receive and expend \$45,000 of Michigan Justice Training Fund competitive grant revenues awarded to the institute by the Michigan Commission on Law Enforcement Standards for training court support personnel.

Gross	\$45,000
IDG	45,000
GF/GP	\$0

2. Court Improvement Program

Authorizes SCAO to receive and expend \$260,000 of Court Improvement grant funds made available under the federal Supporting Foster Youth and Families through the Pandemic Act. Funding will be used to address needs concerning child welfare cases stemming from the COVID-19 public health emergency, including technology investments and training support to facilitate the use of remote hearings, family support programs to address aspects of the family case plan to avoid case delays, and other related activities.

Gross	\$260,000
Federal	260,000
GF/GP	\$0

FY 2020-21 Supplemental Boilerplate Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

Sec. 651. Michigan Justice Training Fund Grant

Designates appropriation for the Judicial Institute as a work project appropriation; specifies that the purpose of the appropriation is for training court personnel.

Sec. 652. Court Improvement Program

Designates appropriation for State Court Administrative Office Federal COVID-19 as a work project appropriation; specifies that the purpose of the appropriation is to address needs concerning child welfare cases.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 9)

Analyst: Marcus Coffin

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
IDG/IDT	\$46,664,600	\$45,079,800	(\$1,584,800)	(3.4)
Federal	28,823,700	29,030,900	207,200	0.7
Local	0	0	0	--
Private	0	0	0	--
Restricted	259,295,700	258,929,800	(365,900)	(0.1)
GF/GP	149,605,600	184,195,900	34,590,300	23.1
Gross	\$484,389,600	\$517,236,400	\$32,846,800	6.8
FTEs	1,857.9	1,857.9	0.0	0.0

Notes:

- (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.
- (2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Department of Licensing and Regulatory Affairs (LARA) is the state's primary regulatory entity. The department oversees regulation across a variety of sectors, including commercial and occupational activities, construction and fire safety, health care and human services, public utilities, liquor control, and marijuana. Units within LARA also conduct and adjudicate administrative hearings, oversee rules promulgation, provide support for the Michigan Indigent Defense Commission and the Unarmed Combat Commission, and administer multiple grant programs, including Michigan Indigent Defense Commission grants.

Major Budget Changes from FY 2020-21 YTD Appropriations

1. Michigan Indigent Defense Commission Grants Standards 1-4
 Includes an additional \$19.4 million GF/GP for Michigan Indigent Defense Commission grants, to fund the state's projected share of indigent defense costs in FY 2021-22 (\$136.9 million). MIDC grants are distributed to district and circuit court funding units and support the implementation of compliance plans to fulfill approved indigent defense standards 1-4.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Gross	\$117,467,400	\$19,350,000
Restricted	200,000	0
GF/GP	\$117,267,400	\$19,350,000

2. Michigan Indigent Defense Commission Grants Standard 5
 Includes an additional \$12.0 million GF/GP for Michigan Indigent Defense Commission grants, to fund the state's estimated share of compliance costs for approved indigent defense standard 5. The standard was approved in October 2020, and pertains to the independence of indigent criminal defense services from the judiciary.

Gross	\$117,467,400	\$12,000,000
Restricted	200,000	0
GF/GP	\$117,267,400	\$12,000,000

LICENSING AND REGULATORY AFFAIRS

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Major Budget Changes from FY 2020-21 YTD Appropriations			
3. Nursing Home Infection Control Surveys (One-Time)	Gross	NA	\$1,100,000
Includes \$1.1 million GF/GP (one-time) to continue infection control surveys of skilled nursing facilities through FY 2021-22. Funding will support the state licensing group, which conducts infection control surveys for facilities applying to MDHHS to become a COVID Care and Recovery Center or a COVID Relief Facility, for state licensed providers that aren't federally certified, and as requested by providers, MDHHS, local health departments, and the federal government. Specifically, funding will be used to cover costs associated with 8 current staff and to hire additional limited-term health care surveyors and support staff, to continue infection control survey activities through September 2022.	GF/GP	NA	\$1,100,000
4. Urban Search and Rescue Equipment Upgrades (One-Time)	Gross	NA	\$1,000,000
Includes \$1.0 million GF/GP (one-time) to support equipment upgrades for the Michigan Task Force-1, which provides supervisory and essential functions at incidents where technical rescue expertise and equipment are required for effective rescue operations.	GF/GP	NA	\$1,000,000
5. Marijuana Regulatory Agency Inspection Activities	FTE	34.0	0.0
Includes \$648,000 in restricted authorization from the Marihuana Regulation Fund (adult-use) to support costs associated with hiring 6 additional inspectors (including 2 fire inspectors) to regulate licensees in the adult-use industry. Funding will be used to support costs incurred for additional staff, including salaries, fringe benefits, and IT. Hiring 6 additional inspectors will increase the total number of active inspectors in the sector from 16 to 22.	Gross	\$6,736,200	\$648,000
	Restricted	6,736,200	648,000
	GF/GP	\$0	\$0
6. Michigan Saves Green Bank (One-Time)	Gross	\$1,000,000	\$500,000
Increases the current one-time appropriation for Michigan Saves by \$500,000 GF/GP, which will bring total FY 2021-22 one-time funding for Michigan Saves to \$1.5 million GF/GP. Funding will provide \$1.5 million for a Public Service Commission grant award to Michigan Saves (a non-profit green bank) to offer credit enhancement tools intended to incentivize lending at lower rates and under better terms for renewable energy and energy efficiency improvement loans to commercial, residential, and public entities. Such credit enhancement tools include a loan loss reserve fund.	GF/GP	\$1,000,000	\$500,000
7. Bureau of Construction Codes Carnival Safety Inspections	Gross	NA	\$500,000
Includes an additional \$500,000 GF/GP to increase the number of inspections and other enforcement activities that the Bureau of Construction Codes conducts with respect to the Carnival-Amusement Safety Act, 1966 PA 225.	GF/GP	NA	\$500,000
8. Underground Natural Gas Storage Safety Program	Gross	NA	\$352,500
Includes \$352,500 in federal authorization from the Department of Transportation to reflect a grant that the state is receiving to operate the Underground Natural Gas Storage Inspection Program, which inspects, evaluates, and monitors the code compliance status of underground natural gas storage operators in the state. There are 6 intrastate operators that will be regulated under the program and these operators have approximately 31 facilities and 1,230 wells. Regulation includes complete storage program inspections and annual inspections of ongoing construction, maintenance, and other field activities.	Federal	NA	352,500
	GF/GP	NA	\$0

LICENSING AND REGULATORY AFFAIRS

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
9. Public Service Commission Renewable Natural Gas Study (One-Time)	Gross	NA	\$250,000
Includes \$250,000 GF/GP (one-time) for the Public Service Commission to conduct a study into the potential for renewable natural gas development in the state.	GF/GP	NA	\$250,000
10. Local Indigent Defense Reimbursement	Gross	\$117,467,400	\$100,000
Includes an additional \$100,000 in state restricted authorization from Local Indigent Defense Reimbursements to reflect increased revenues from reimbursements. Local court funding units are required to remit 20% of the revenue received from partially indigent collections to the state. Funding is utilized for Michigan Indigent Defense Commission grants.	Restricted	200,000	100,000
	GF/GP	\$117,267,400	\$0
11. Technical Adjustments	Gross	NA	(\$1,398,400)
Includes numerous adjustments to state restricted authorizations and federal and IDG/IDT funding to align fund sources with projected revenues and expenditures. Also includes the following:	IDG/IDT	NA	(1,376,100)
	Federal	NA	25,500
	Restricted	NA	(47,800)
<ul style="list-style-type: none">Internal net-zero transfer to allocate \$9.3 million Gross from the Bureau of Community and Health Systems Administration line item to the Adult Foster Care and Camps Licensing and Regulation, Health Facilities Regulation, and Nurse Aide Program line items.Internal net zero transfer to move \$1.7 million IDG/IDT from the Bureau of Community and Health Systems Administration line item to the Child Care Licensing and Regulation line item.	GF/GP	NA	\$0
12. Economic Adjustments	Gross	NA	(\$1,555,300)
Reflects decreased costs of \$1.6 million Gross (\$109,700 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), overtime increases, increased longevity, higher actuarially required retirement contributions, increases in building occupancy charges, decreases in other employee retirement costs, decreases in worker's compensation, and other economic adjustments.	IDG/IDT	NA	(208,700)
	Federal	NA	(170,800)
	Restricted	NA	(1,066,100)
	GF/GP	NA	(\$109,700)

Major Boilerplate Changes from FY 2020-21

Sec. 207. Out-of-State Travel – REVISED

Stipulates conditions when LARA may send employees on out-of-state travel; limits expenditure of state funds on out-of-state professional development conferences; requires detailed report on all out-of-state travel. Revised to strike sections delineating conditions under which out-of-state travel is permissible and to modify report requirements.

Sec. 216. FTE Vacancies and Remote Work Report – REVISED

Requires LARA to submit a quarterly report on FTE staffing and a semiannual report on remote work and associated metrics. Revised reporting frequency for the remote work report to annually by March 1.

Sec. 221. Severance Pay Report – NEW

Requires LARA to report the name and any amount of severance pay given to any high-ranking department official; requires LARA to maintain an internet site that posts any severance pay in excess of 6 weeks of wages for a former employee of any rank; requires LARA to report on the total amount of severance pay remitted to former employees during the prior fiscal year and the number of those employees; defines "severance pay."

Sec. 222. Prohibition on COVID-19 Vaccine Status Verifications – NEW

Prohibits state entities receiving funding from requiring proof of COVID-19 vaccination as a condition of accessing any state services or facilities, producing COVID-19 vaccine passports, developing or making a database accessible with individuals' COVID-19 vaccination status, requiring proof of COVID-19 vaccination as a condition of employment, and taking any negative employment action due to an individual's COVID-19 vaccination status; requires exceptions be provided if federal policy requires the creation of a COVID-19 vaccine policy.

LICENSING AND REGULATORY AFFAIRS

Major Boilerplate Changes from FY 2020-21

Sec. 232. Departmental Activity During Pending Litigation – NEW

Stipulates that pending litigation related to a licensee must not delay investigations and licensing actions taken by LARA.

Sec. 504. Homeowner Construction Lien Recovery Fund – DELETED

Appropriates unexpended funds in the Homeowner Construction Lien Recovery Fund for payments of court-ordered construction lien judgments entered prior to the repeal of the fund on August 23, 2010.

Sec. 510. Masking Enforcement Prohibition – NEW (UNENFORCEABLE)

Prohibits LARA from enforcing masking for children under 5 years of age and prohibits licensing or administrative action against a licensee for not enforcing a masking requirement on children under 5 years of age. *(Governor's signing letter states this section is unenforceable.)*

Sec. 511. Carnival-Amusement Safety Inspections – NEW

Requires that at least \$500,000 from the appropriation for the Bureau of Construction Codes be allocated for additional inspections and enforcement activity related to the Carnival-Amusement Safety Act of 1966.

Sec. 803. Michigan Indigent Defense Commission Grants Usage – NEW (UNENFORCEABLE)

Prohibits MIDC grants from being used to support construction expenses for new structures. *(Governor's signing letter states this section is unenforceable.)*

Sec. 1001. Michigan Saves Appropriation – REVISED

Allows PSC to award a \$1.5 million grant to a nonprofit green bank to make energy-efficiency and renewable energy loans more affordable for families, businesses, and public entities in Michigan; stipulates grant funds may be used for a loan loss reserve fund or similar financial instrument. Revised to reflect new appropriation amount.

Sec. 1002. Public Service Commission Renewable Natural Gas Study – NEW

Requires the PSC to conduct a study on the potential for renewable natural gas development in Michigan; identifies required content for the study.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 10)

Analyst: Michael Crossen

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
	\$101,800	\$101,800	\$0	0.0
Federal	123,626,100	120,015,300	(3,610,800)	(2.9)
Local	0	0	0	--
Private	630,000	640,000	10,000	1.6
Restricted	20,313,400	21,336,700	1,023,300	5.0
GF/GP	84,280,200	78,758,800	(5,521,400)	(6.6)
Gross	\$228,951,500	\$220,852,600	(\$8,098,900)	(3.5)
FTEs	1,061.5	1,063.5	2.0	0.2

Notes:

(1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.

(2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Department of Military and Veterans Affairs provides for the operations of the Michigan National Guard in support of military and security needs of the state and federal government. The department, through the Michigan Veterans Affairs Agency, oversees state programs for veterans, grants to veterans service organizations, the County Veteran Service Fund, and the Michigan Veterans Trust Fund. The department also houses the independent Michigan Veterans Facility Authority, which manages and operates the state's three veterans homes.

Major Budget Changes from FY 2020-21 YTD Appropriations

1. Chesterfield Township Home for Veterans

Provides \$12.4 million Gross (\$1.5 million GF/GP) to align with increased expenses for facility's first fiscal year being fully operational.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Gross	\$8,590,000	\$12,394,700
Federal	1,100,000	8,525,000
Restricted	375,000	2,340,000
GF/GP	\$7,115,000	\$1,529,700

2. Grand Rapids Home for Veterans

Reduces \$13.4 million Gross (\$7.3 million GF/GP) to reflect decreased expenses of operating home in its first fully operational fiscal year at new smaller facility on existing campus. \$4.1 million GF/GP of one-time funding from FY 2020-21 for home remains in FY 2021-22 to continue offering services to 29 residents living in existing facility as they await moving to new living arrangements outside home.

Gross	\$42,753,700	(\$13,375,400)
Federal	14,865,000	(3,409,000)
Restricted	5,915,000	(2,640,000)
GF/GP	\$21,973,700	(\$7,326,400)

3. National Guard Special Maintenance

Authorizes \$10.0 million in additional federal revenue from National Guard Bureau to support maintenance projects at armories statewide.

Gross	\$20,000,000	\$10,000,000
Federal	20,000,000	10,000,000
GF/GP	\$0	\$0

4. Michigan Veterans Trust Fund

Provides \$1.2 million in state restricted funds from Michigan Veterans Trust Fund and authorizes 2.0 FTE positions for administration and awarding of more emergency relief grants to veterans in anticipation of greater needs as a result of COVID-19 pandemic and to support planned partnerships with outside veteran support programs. From \$1.2 million increase, \$1.0 million is recommended for grants and \$227,200 is recommended for administration.

FTE	6.0	2.0
Gross	\$2,400,000	\$1,247,200
Restricted	2,400,000	1,247,200
GF/GP	\$0	\$0

MILITARY AND VETERANS AFFAIRS

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
5. Military Retirement		Gross	\$658,000
Provides \$217,000 GF/GP for the Military Retirement System to meet anticipated retirement obligations based on annual actuarial valuation of military retirement pension benefits.		GF/GP	\$217,000
6. Morale, Welfare, and Recreation Restricted Fund		Gross	NA
Authorizes \$100,000 in state restricted funds from the new Morale, Welfare, and Recreation (MWR) Fund created in boilerplate, which receives fees for use of recreation equipment at Camp Grayling and will be used to support new MWR program that will provide recreational activities for National Guard members and their families.		Restricted	100,000
		GF/GP	\$0
7. Equipment Testing Project Fees		Gross	NA
Authorizes the department to expend \$100,000 in state restricted funds collected from private companies that pay to test equipment at state military facilities. Funds will support maintenance costs of the training ranges.		Restricted	100,000
		GF/GP	\$0
8. Commander's Cottage Rental Fees		Gross	NA
Authorizes \$25,000 in state restricted funds collected from rental fees for new Commander's Cottage. Fees are paid by the Commander to live there and are used for maintenance of building.		Restricted	25,000
		GF/GP	\$0
9. Authorization for Private MVAA Donations		Gross	NA
Authorizes \$10,000 of private funding for the MVAA to receive private donations without need for legislative approval of contingency authorization transfer.		Private	10,000
		GF/GP	\$0
10. Michigan Veterans Homes Information Technology Transfer		Gross	\$1,409,400
Transfers \$1.4 million Gross (\$105,000 GF/GP) from department to independent Michigan Veterans Facility Authority to support IT needs of Michigan Veterans Homes and to align with budget structure established in FY 2020-21.		Federal	560,300
		Restricted	744,100
		GF/GP	\$105,000
11. Billeting Fund Reductions		Gross	\$1,460,400
Reduces \$84,000 from state restricted Billeting Fund to align with revenue and expenditure projections. Revenue in fund is collected by fees and surcharges paid by military and civilian personnel utilizing Michigan National Guard transient quarters and is used to support operations of transient quarters facilities.		Restricted	1,460,400
		GF/GP	\$0
12. Removal of Current Year One-Time Funding		Gross	\$22,014,000
Eliminates \$22.0 million Gross (\$3.1 million GF/GP) of one-time funding appropriated in FY 2020-21:		Federal	18,905,000
<ul style="list-style-type: none"> • \$18.9 million federal for Camp Grayling National Guard Readiness Training Center • \$2.9 million GF/GP for coronavirus response activities • \$250,000 GF/GP for Veterans benefits eligibility study. 		GF/GP	\$3,109,000
13. Record Consolidation and Digitization Project		Gross	NA
Includes \$2.5 million GF/GP to digitize, index, and store all veterans' records under control of MVAA and to develop and implement computer platform to provide veterans and organizations that serve them better accessibility and timely delivery of veterans records upon request.		GF/GP	NA

MILITARY AND VETERANS AFFAIRS

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
14. County Veteran Service Fund	Gross	\$4,000,000	\$250,000
Includes \$250,000 GF/GP to increase ongoing appropriation for grants to counties for county veteran services including, but not limited to, advocacy, advice, and assistance by an accredited veteran service officer to obtain health, financial, or memorial benefits for which they are eligible.	GF/GP	\$4,000,000	\$250,000
15. VSO Grants	Gross	\$3,835,500	\$414,500
Includes \$414,500 GF/GP to increase ongoing appropriation for grant funding distributed to veteran service organizations, which assist veterans with receiving various services and obtaining benefits. Grants are distributed using a regional service delivery model with a goal of filing fully developed claims for veterans benefits.	GF/GP	\$3,835,500	\$414,500
16. Economic Adjustments	Gross	NA	\$116,100
Reflects increased costs of \$116,100 Gross (\$2,800 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	178,200
	Restricted	NA	(64,900)
	GF/GP	NA	\$2,800

Major Boilerplate Changes from FY 2020-21

Sec. 206. Disciplinary Action Against State Employees – RETAINED (UNENFORCEABLE)

Prohibits departments from taking disciplinary action against employees in the state classified civil service for communicating with legislators or their staff; stipulates disciplinary action may be taken if the communication is prohibited by law and disciplinary action is exercised as authorized by law. (Governor's signing letter states this section is unenforceable.)

Sec. 217. Work Project Expenditures – RETAINED (UNENFORCEABLE)

Prohibits appropriations from being expended in cases where existing work project authorization is available for the same expenditures. (Governor's signing letter states this section is unenforceable.)

Sec. 218. State Administrative Board Transfers – RETAINED (UNENFORCEABLE)

Authorizes legislature, by concurrent resolution adopted by majority of members elected to and serving in each house, to inter-transfer funds if State Administrative Board transfers funds. (Governor's signing letter states this section is unenforceable.)

Sec. 224. Intention to Sell Department Property – RETAINED (UNENFORCEABLE)

Requires department to provide a 60-day notice of intent to sell property. (Governor's signing letter states this section is unenforceable.)

Sec. 227. Severance Pay Report – NEW

Requires department and agencies to report name and any amount of severance pay given to high-ranking department officials; requires department and agencies to maintain an internet site and post severance pay in excess of 6 weeks of wages for former department or agency employees; requires department and agencies to submit annual report on total amount of severance pay remitted to former employees during prior fiscal year and total number of those employees; defines "severance pay".

Sec. 228. Prohibitions on State Employer COVID-19 Vaccine Status Verifications – NEW

Prohibits various state government entities from requiring proof of COVID-19 vaccination as condition of accessing state services or facilities, producing COVID-19 vaccine passports, developing, or making existing databases public, accessing individuals COVID-19 vaccine status, and requiring proof of receiving COVID-19 vaccine as condition of employment; prohibits state entities from subjecting an individual to negative consequences because of COVID-19 vaccine status; allows an individual to provide proof of COVID-19 vaccine status with consent; exempts certain individuals from federally mandated vaccine policies.

MILITARY AND VETERANS AFFAIRS

Major Boilerplate Changes from FY 2020-21

Sec. 229. Annual Strategic Plan – NEW

Requires department to submit its annually updated departmental strategic plan to legislature.

Sec. 309. Test Project Fees – NEW

Creates test project fees revolving account to be under control of department to collect fees generated by test project program; requires funds appropriated from account to support operations of test project program; authorizes money in account to carry forward and not lapse at close of fiscal year.

Sec. 310. Morale, Welfare, and Recreation Fund – NEW

Creates Morale, Welfare, and Recreation (MWR) Fund to receive money generated from operation of MWR program; requires department to be administrator of fund for auditing purposes; requires money appropriated from fund to support operations of MWR program; authorizes money in fund to carry forward and not lapse at close of fiscal year.

Sec. 311. Commander's Cottage Rental Fees – NEW

Creates rental fees revolving account to be under control of department to collect rental fees for Commander's Cottage, the commander's residence; requires funds appropriated from account to support operations of program; authorizes money in account to carry forward and not lapse at close of fiscal year.

Sec. 312. Michigan Volunteer Defense Force Funding Report – NEW

Requires department to report amount of appropriated funds that will be made available to Michigan Volunteer Defense Force, list of any restrictions or stipulations on those funds, and explanation of any restrictions or stipulations.

Sec. 404. MVAA Private Donations – NEW

Authorizes receipt of private donations to MVAA in excess of funds appropriated in part 1 and permits expenditure of those funds for purpose designated by donor, if specified; requires department to give notification of receipt of donation within 14 calendar days, including amount of donation and purpose for which funds will be expended, if known.

Sec. 407. Grants to Veterans Service Organizations – REVISED

Requires MVAA to provide grants to veterans service organizations (VSOs) in a manner consistent with MVAA performance goals and objectives; requires quarterly reports from grantees on claims and services provided; requires grant recipients to meet performance metrics, including a goal that 40% of VSO-filed claims for VA benefits be considered fully developed by VA; specifies basic parameters of grant agreement, including regional service delivery, payment of an hourly service rate set annually and based on funds appropriated, provision of service hours based upon appropriations and annually set hourly rate, including in state correctional facilities; requires reports on claims activities. Revised to eliminate provisions for and references to an hourly service rate.

Sec. 409. Interagency Agreement with DHHS – RETAINED (UNENFORCEABLE)

Requires department to enter into cooperative agreement with DHHS to identify veteran Medicaid recipients who may be eligible for other benefits; requires annual report of number of veterans identified and referred for additional benefits under agreement. (*Governor's signing letter states this section is unenforceable.*)

Sec. 410. County Veterans Service Fund – REVISED

Requires funds appropriated for County Veteran Service Fund to be deposited into County Veteran Service Fund created in 2018 PA 210; stipulates funds are available for expenditure to support county veterans' services grants. Revised to allocate \$200,000 from fund to be used to cover costs associated with administration and provide technical assistance to counties participating in grant program.

Sec. 411. Veterans Cemetery – DELETED

Requires MVAA to conduct needs, feasibility, and cost assessment of establishing and maintaining new veterans cemetery; requires assessment to consider availability of federal funds for its determinations; requires MVAA to report findings of assessment by end of fiscal year.

Sec. 451. Board of Managers and Michigan Veteran's Facility Authority – DELETED

Requires Board of Managers and Michigan Veterans' Facility Authority to exercise certain regulatory and governance authority over Michigan veterans homes.

Major Boilerplate Changes from FY 2020-21

Sec. 452(1)-(3), (10)-(19). Veterans Homes Service and Care Requirements – REVISED

Requires Michigan veterans homes to meet applicable standards of care as provided under listed federal and state legal authorities; specifies standards around issues concerning psychiatric care, monitoring of comprehensive care plans, supply inventory, pharmaceutical inventory, controls over donated goods and monies, and personal funds of residents; requires information on complaint process to be conspicuously posted at home; requires Michigan veterans homes, Board of Managers, and Michigan Veteran Facility Authority policies to be posted on MVAA website; requires department to report budgeting and quality of care metrics to the legislature, including health and safety issues, status of Centers for Medicare and Medicaid Services (CMS) certification, resident member demographics, upgrades to facilities, and financial status of homes. Revised to add subsection (20) requiring Michigan Veteran Homes to provide annual or for-cause surveys conducted by entity with oversight over veterans homes to look into potentially serious compliance or patient care issues and to report any corresponding corrective action plans from Michigan Veteran Homes.

Sec. 453. CMS Quality of Care Standards – RETAINED (UNENFORCEABLE)

Requires department to ensure quality of care at state’s veterans homes is sufficient to meet or exceed quality of care standards for Centers for Medicare and Medicaid Services (CMS); requires biannual report showing evidence that quality of care has met or exceeded CMS certification standards. *(Governor’s signing letter states this section is unenforceable.)*

Sec. 601. Veterans Benefits Eligibility Study – DELETED

Requires funding to be used for study on creating, implementing, and evaluating program that identifies Medicaid beneficiaries who are veterans and support them in exploring their eligibility for USDVA-VHA health care benefits; requires department to report findings of study, including recommendations on strategies to use to identify veterans who are Medicaid beneficiaries, eligible for USDVA-VHA health care benefits, but who aren’t aware or have not taken steps to seek USDVA-VHA health care services.

Sec. 601. Record Consolidation and Digitization Project – NEW

Requires funding to be used to digitize, index, and store all veterans’ records under control of MVAA and to develop and implement computer platform to provide veterans and organizations that serve them better accessibility and timely delivery of veterans records upon request; requires biannual report on progress made on project; expresses intent of legislature that various veteran service entities have access to service members’ and veterans’ records.

FY 2020-21 Supplemental Appropriation Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

		Appropriation Change
1. Recreation Equipment at Camp Grayling	Gross	\$50,000
Includes \$50,000 to create a new state restricted fund in the Military Training Sites and Support Facilities line item. The fund will be used to receive user fees for recreation equipment at Camp Grayling and will support new Morale, Welfare, and Recreation program, which provides recreation opportunities for National Guard members and their families.	Restricted	50,000
	GF/GP	\$0
2. Special Maintenance – National Guard	Gross	\$20,000,000
Authorizes receipt of \$20.0 million in federal funding that will be used to support 26 special maintenance projects at department facilities across the state. Most of the projects are covered 100% by federal funding and any state match that is required will be covered by existing appropriations.	Federal	20,000,000
	GF/GP	\$0
3. Provider Relief Funds for D.J. Jacobetti Veterans Home	Gross	\$27,300
Authorizes D. J. Jacobetti Veterans Home to receive \$27,300 in federal CARES Act Provider Relief funding to support costs of health care providers responding to COVID-19 pandemic.	Federal	27,300
	GF/GP	\$0
4. Special Maintenance Veterans Homes	Gross	\$650,000
Includes \$650,000 in federal CARES Act funding to be used for elevator replacement project at D.J. Jacobetti Home for Veterans. Federal funds will support 100% of project’s costs.	Federal	650,000
	GF/GP	\$0

MILITARY AND VETERANS AFFAIRS

FY 2020-21 Supplemental Appropriation Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

5. State Veterans Homes Operating Grants

Includes \$5.1 million in federal Coronavirus relief funding to support operating costs at state's veterans homes. Allocation of funding will be based on census counts of homes' residents with \$2.3 million anticipated for D.J. Jacobetti Home for Veterans and \$2.6 million anticipated for Grand Rapids Home for Veterans.

	Appropriation Change
Gross	\$5,100,000
Federal	5,100,000
GF/GP	\$0

FY 2020-21 Supplemental Boilerplate Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

Sec. 801. COVID-19 State Veterans Homes Operating Grants

Designates appropriation for COVID-19 State Veterans Homes Operating Grants as work project appropriation; specifies purpose of appropriation is to support operating costs of state's veterans homes.

Sec. 802. Recreation Equipment at Camp Grayling

Creates new Morale, Welfare, and Recreation Fund in Department of Treasury; requires Department of Military and Veterans Affairs to administer the fund; requires fees and other revenues generated from operation of fund to be deposited in fund account; requires appropriations made from the fund to be used to support the new Morale, Welfare, and Recreation program; authorizes unexpended funding to be carried forward.

Sec. 803. Special Maintenance – National Guard and Veterans Homes

Authorizes unexpended funding from appropriations for Special Maintenance – National Guard and COVID-19 Special Maintenance Veterans Homes to be carried forward.

DEPARTMENT OF NATURAL RESOURCES
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 11)

Analyst: Austin Scott

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
	\$203,100	\$203,100	\$0	0.0
Federal	88,453,700	91,291,300	2,837,600	3.2
Local	0	0	0	--
Private	7,439,200	7,039,200	(400,000)	(5.4)
Restricted	322,800,800	317,195,300	(5,605,500)	(1.7)
GF/GP	50,697,300	48,612,500	(2,084,800)	(4.1)
Gross	\$469,594,100	\$464,341,400	(\$5,252,700)	(1.1)
FTEs	2,352.1	2,360.9	8.8	0.4

Notes:

- (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.
- (2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Department of Natural Resources (DNR) manages Michigan's natural and cultural resources through conservation and protection. State parks, wildlife, fisheries, forests, and minerals management are all administered by DNR.

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		<u>FY 2020-21 Year-to-Date (as of 2/11/21)</u>	<u>FY 2021-22 Enacted Change</u>
1. Fish Hatchery Energy Efficiencies (One-Time)	Gross	NA	\$1,995,800
Appropriates \$2.0 million GF/GP for renewable energy projects at state fish hatcheries including installing solar arrays and battery storage.	GF/GP	NA	\$1,995,800
2. Local Marine Patrol Grants	Gross	\$1,750,000	(\$1,750,000)
Eliminates \$1.8 million GF/GP for grants to local law enforcement to enforce no wake zones in an effort to mitigate high water impacts on infrastructure.	GF/GP	\$1,750,000	(\$1,750,000)
3. Deer Habitat Partnership Improvement Initiative	Gross	\$445,800	(\$245,800)
Eliminates GF/GP support for grants awarded through the Deer Habitat Partnership Improvement Initiative.	Restricted	200,000	0
	GF/GP	\$245,800	(\$245,800)
4. Federal – Land and Water Conservation Fund Payments	Gross	\$6,000,000	\$7,000,000
Appropriates \$7.0 million of available federal funding for grants to local units of government to acquire and develop public recreation lands and facilities.	Federal	6,000,000	7,000,000
	GF/GP	\$0	\$0
5. Off-road Vehicle Revenue Distribution	Gross	NA	\$1,000,000
Appropriates an additional \$1.0 million of available revenue from the Off-road Vehicle Trail Improvement Fund for trail ORV programs and administration in accordance with statutory distribution requirements, bringing ORV Trail Improvement funding to \$9.5 million for FY 2021-22.	Restricted	NA	1,000,000
	GF/GP	NA	\$0

NATURAL RESOURCES

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
6. Parks and Recreation Division Employee Initiatives		FTE	8.8
Appropriates \$1.5 million in available restricted revenue from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund and authorizes 8.8 FTE positions for division employee recruitment and retention initiatives, including increases in work hours and wages. This increase will also fund a new sanitation contract at Interlochen State Park in accordance with EGLE standards.		Gross	NA
		Restricted	\$1,486,400
		GF/GP	1,486,400
			\$0
7. Parks and Recreation Division Utility Costs		Gross	NA
Appropriates \$625,000 in available restricted revenue from the Michigan State Waterways Fund, and Park Improvement Fund to cover HVAC, lighting, electrical, hydro, and telecommunications costs at recreational boating sites and state parks, including Belle Isle State Park.		Restricted	\$625,000
		GF/GP	625,000
			\$0
8. Parks and Recreation Division Minimum Wage Increase for Short-term Workers		Gross	NA
Appropriates \$394,300 in available restricted revenue from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund to cover the minimum wage increase scheduled for 2022.		Restricted	\$394,300
		GF/GP	394,300
			\$0
9. Parks and Recreation Division Search Software		Gross	NA
Appropriates \$320,000 in available restricted revenue from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund to upgrade and maintain software used by the public to search state parks, state recreation areas, and state forest campgrounds.		Restricted	\$320,000
		GF/GP	320,000
			\$0
10. Parks and Recreation Division Camping and Harbor Reservation System Costs		Gross	NA
Appropriates \$175,000 in available restricted revenue from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund to pay vendor for increased transactions processed by DNR's camping and harbor reservation system.		Restricted	\$175,000
		GF/GP	175,000
			\$0
11. State Parks Improvement Revenue Bonds – Debt Service		Gross	\$1,201,300
Appropriates \$500 in available Park Improvement Fund revenue to align spending authorization with debt service schedule.		Restricted	\$500
		GF/GP	1,201,300
			500
			\$0
12. Capital Outlay Authorization Alignment		Gross	NA
Reduces restricted fund authorization for ongoing capital outlay projects by \$3.4 million to align spending authorization with available revenue. Affected appropriations include Local Boating Infrastructure Maintenance and Improvements, State Boating Infrastructure Maintenance, and State Parks Repair and Maintenance.		Restricted	(\$3,425,000)
		GF/GP	NA
			(3,425,000)
			\$0
13. Capital Outlay One-Time Projects		Gross	\$11,000,000
Eliminates restricted fund authorization for one-time capital outlay projects funded in FY 2020-21. Projects included Fish Hatchery Infrastructure Investments, Forest Development Infrastructure, Mass Timber Facility Newberry Customer Service Center, and Wetlands Enhancements.		Restricted	(\$11,000,000)
		GF/GP	11,000,000
			(11,000,000)
			\$0
14. Removal of FY 2020-21 One-Time Funding		Gross	\$8,400,000
Removes \$8.4 million Gross (\$2.5 million GF/GP) for one-time projects included in the FY 2020-21 budget. Projects included Forest Fire Equipment Acquisition, Forest Investments, Milliken Visitors Center, and Shooting Range Enhancements.		Federal	(\$8,400,000)
		Private	4,000,000
		Restricted	400,000
		GF/GP	(400,000)
			(1,500,000)
			1,500,000
			(\$2,500,000)
			\$2,500,000

NATURAL RESOURCES

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		<u>FY 2020-21 Year-to-Date (as of 2/11/21)</u>	<u>FY 2021-22 Enacted Change</u>
15. Chronic Wasting Disease Testing (One-Time)	Gross	NA	\$500,000
Appropriates \$500,000 GF/GP for the provision of CWD check stations or drop stations in core CWD areas, management zones, or surveillance areas.	GF/GP	NA	\$500,000
16. Trail Easements	Gross	\$700,000	\$1,500,000
Increases funding by \$1.5 million from the Permanent Snowmobile Trail Easement Fund to acquire easements on 87.2 miles of trails in Baraga County and Marquette County from Lyne Timber.	Restricted GF/GP	700,000 \$0	1,500,000 \$0
17. Kalamazoo River Watershed Improvements – Capital Outlay	Gross	NA	\$6,000,000
Provides \$6.0 million from the Environmental Protection Fund to mitigate damage to the Kalamazoo River from papermill recycling waste.	Restricted GF/GP	NA NA	6,000,000 \$0
18. Economic Adjustments	Gross	NA	(\$1,428,900)
Reflects decreased costs of \$1.4 million Gross (\$84,800 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal Restricted GF/GP	NA NA NA	(162,400) (1,181,700) (\$84,800)

Major Boilerplate Changes from FY 2020-21

Sec. 216. FTE Vacancies and Remote Work Report – REVISED

Requires department to report quarterly on the number of FTE positions filled, FTE vacancies, the number of employees working remotely, the number of employees authorized to work remotely, estimated cost savings from remote work, and reduction in office space due to working remotely. Revised reporting requirement from quarterly to annual.

Sec. 221. Severance Reporting – NEW

Requires department to report details of severance pay for certain departmental employees.

Sec. 222. COVID-19 Vaccine Disclosure – NEW

Prohibits state officials from requiring COVID-19 vaccine disclosure as a condition of receiving state services or developing a vaccine passport.

Sec. 223. Game and Fish Protection Fund Appropriations – REVISED

Lists appropriations to other state departments from Game and Fish Protection Fund. Revised to provide for the appropriation of additional DNR restricted funds to other state agencies including DTMB, Attorney General, Auditor General, Treasury, and Civil Service Commission.

Sec. 409. Report on Portage Restaurant – DELETED

Requires department to report on current and planned future use of Portage Restaurant at Presque Isle State Harbor in Presque Isle County.

Sec. 410. Report on Use of Lands Acquired Since January 2019 – DELETED

Requires department to report on lands acquired since January 2019 and their respective planned uses; report is due November 1, 2020.

Sec. 507. Antlerless Deer License Discounts – REVISED

Permits department to discount antlerless deer licenses in the northeast Lower Peninsula to achieve deer management objectives; earmarks up to \$505,000 of funding for wildlife management to supplant lost revenue that would otherwise be collected from full-price antlerless deer licenses sold in the northeast Lower Peninsula; permits department to terminate the license discount once lost revenue reaches \$505,000. Revised to allow funding to be used for the Deer Habitat Improvement Partnership Initiative under certain conditions.

Sec. 602. Water Control Structure Certification – RETAINED (UNENFORCEABLE)

Directs Fisheries Division to not interfere with certification process for dams and other water control structures. (Governor's signing letter states this section is unenforceable.)

NATURAL RESOURCES

Major Boilerplate Changes from FY 2020-21

Sec. 603. Fish Hatcheries Report – DELETED

Requires annual report on fish hatcheries.

Sec. 802. Timber Marking – REVISED

Requires department to report quarterly on number of acres of state forest land marked or treated for timber harvest. Revised to expand quarterly reporting requirements.

Sec. 1002. Deer Habitat Improvement Partnership Initiative Earmark – DELETED

Earmarks \$145,800 from the Deer Habitat Improvement Partnership Initiative to provide grants through the Northern Lower Peninsula Deer Private Land Assistance Network.

Sec. 1003. Local Marine Patrol Grants – DELETED

Directs expenditure of funding for Local Marine Patrol Grants for grants to local law enforcement to enforce no wake zones in an effort to mitigate high water impacts on infrastructure; limits individual grants to not more than \$100,000.

Sec. 1201. Chronic Wasting Disease Testing – NEW

Directs expenditure of \$500,000 GF/GP for the provision of CWD check stations or drop stations in core CWD areas, management zones, or surveillance areas before the 2022 hunting season.

Sec. 1202. Kalamazoo River Watershed Improvements – Capital Outlay – NEW

Directs expenditure of \$6.0 million in restricted funding for Kalamazoo River watershed improvements in accordance with the Kalamazoo River Supplemental Restoration Plan.

FY 2020-21 Supplemental Boilerplate Items

Public Act 82 of 2021 (Senate Bill 82, Article 14)

Sec. 851. DNR Restricted Fund Appropriations

Lists appropriations to other state departments from Game and Fish Protection Fund, Michigan State Waterways Fund, Park Improvement Fund, Forest Development Fund, Michigan Natural Resources Trust Fund, Michigan State Parks Endowment Fund, and Nongame Wildlife Fund.

SCHOOL AID

Summary of FY 2021-22 Enacted with Vetoes

Public Act 48 of 2021 (House Bill 4411)

Analysts: Jacqueline Mullen, Emily Hatch, and Samuel Christensen

IDG/IDT	FY 2020-21 YTD as of 7/31/20	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
	\$0	\$0	\$0	--
Federal	1,806,878,500	2,024,478,500	217,600,000	12.0
Local	0	0	0	--
Private	0	0	0	--
Restricted	13,667,321,700	14,868,232,200	1,200,910,500	8.8
GF/GP	50,964,600	85,400,000	34,435,400	67.6
Gross	\$15,525,164,800	\$16,978,110,700	\$1,452,945,900	9.4

Notes:

(1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.

(2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The School Aid budget makes appropriations to the state's 537 local school districts, 292 public school academies (PSAs), and 56 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Michigan Department of Education (MDE), Center for Educational Performance and Information (CEPI), and other entities to implement certain grants and other programs related to K-12 education.

Major Budget Changes from FY 2020-21 YTD Appropriations

1. Foundation Allowance (Secs. 22a, 22b, & 22c)

Includes \$680.0 million to provide increases ranging from \$589 to \$171 per pupil to set both the minimum and target foundation allowances equal to \$8,700. Also provides \$3.0 million for payments of \$171 per pupil for out-of-formula districts (districts for which local revenue exceeds the foundation allowance and therefore would otherwise not receive state funds for the foundation allowance). Provides \$40.0 million to increase the state share of the foundation allowance for Hold Harmless districts to be consistent with how the state share is calculated for non-Hold Harmless districts.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Gross	\$9,447,000,000	\$723,000,000
Restricted	9,446,302,400	723,697,600
GF/GP	\$697,600	(\$697,600)

2. Per-Pupil Payment (Sec. 11d)

Eliminates \$95.0 million School Aid Fund (SAF) for payments of an estimated \$65 per pupil to districts based on 50% of districts' FY 2019-20 membership blend and 50% of their FY 2020-21 membership blend as it would have been calculated in a non-pandemic year.

Gross	\$95,000,000	(\$95,000,000)
Restricted	95,000,000	(95,000,000)
GF/GP	\$0	\$0

3. Michigan Public School Employees' Retirement System (MPERS) (Secs. 147a, 147c, 147d (NEW), & 147e)

Increases total state support for K-12 MPERS costs by \$285.4 million Gross, including a decrease of \$10,000 GF/GP, for a total of \$1.8 billion Gross (\$560,000 GF/GP). The increase is mainly due to a reduction in the payroll growth assumption from 3.5% to 3.0% under 2018 PA 181, and the inclusion of \$140.0 million SAF in Sec. 147c to further reduce the payroll growth assumption to 2.25%.

Gross	\$1,526,406,000	\$285,354,000
Restricted	1,525,836,000	285,364,000
GF/GP	\$570,000	(\$10,000)

SCHOOL AID

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
4. Wraparound Services (Sec. 31o) – NEW	Gross	\$0	\$240,000,000
Provides \$240.0 million SAF for districts with the greatest need for school psychologists, social workers, counselors, and nurses. Provides funding for staff hired under this section at 100% for the first year, 66% for the second year, 33% for the third year, and requires a recipient district to fully fund staff after three years of funding.	Restricted	0	240,000,000
	GF/GP	\$0	\$0
5. Great Start Readiness Program (Sec. 32d)	Gross	\$249,950,000	\$168,520,000
Increases by \$168.5 million Gross (\$0 GF/GP) for a total of \$418.5 million Gross (\$350,000 GF/GP) for school readiness preschool programs for 4-year-old children in low-income families. The increase includes \$121.0 million federal Coronavirus State Fiscal Recovery Fund under the American Rescue Plan (ARP) Act. Increases the allocation per child from \$7,250 to \$8,700 for a full-day program—an amount equal to the minimum foundation allowance—and from \$3,625 to \$4,350 for a part-day program. Adds that the \$2.0 million SAF allocation for training educators in programs implementing new criteria may also be used for approved child assessment tools. Adds that an ISD or a consortium of ISDs may collaborate with local governments to identify eligible children and may contract with local governments to provide services. (See Major Boilerplate Changes for Sec. 32d below.)	Federal	0	121,000,000
	Restricted	249,600,000	47,520,000
	GF/GP	\$350,000	\$0
6. GVSU Reading Scholarships (Sec. 34a) – VETOED	Gross	\$0	\$0
Governor vetoed \$155.0 million federal Coronavirus State Fiscal Recovery Fund under the ARP Act for Grand Valley State University (GVSU) for a grant program for reading scholarships to address learning loss.	Federal	0	0
	Restricted	0	0
	GF/GP	\$0	\$0
7. Year-Round Capital Infrastructure Grants (Sec. 31z) – NEW	Gross	\$0	\$75,000,000
Provides \$75.0 million federal Coronavirus State Fiscal Recovery Fund under the ARP Act for matching grants for one-time infrastructure costs to districts that commit to operating a year-round, balanced calendar in the 2022-23 school year. Requires MDE to establish a sliding scale for grants so that districts with higher Elementary and Secondary School Emergency Relief (ESSER) Fund payments under Sec. 11r receive smaller matching grants than districts with lower ESSER payments.	Federal	0	75,000,000
	Restricted	0	0
	GF/GP	\$0	\$0
8. Year-Round Instructional Program (Sec. 31y) – NEW	Gross	\$0	\$60,000,000
Provides \$60.0 million SAF for per-pupil payments equal to 3% of the district's foundation allowance for districts that operate year-round, balanced calendars during the 2021-22 school year.	Restricted	0	60,000,000
	GF/GP	\$0	\$0
9. Special Education Millage Revenue Supplemental Payment (Sec. 56(7)) – NEW	Gross	\$0	\$34,200,000
Provides \$34.2 million SAF for payments to eligible ISDs through the following formula: for an ISD with a 3-year average special education millage revenue per pupil per mill less than \$251 that is levying at least 46.2% but less than 60.0% of its maximum millage rate, the amount needed to raise the ISD to \$251; for an ISD with less than \$281 that is levying at least 60% of its maximum millage rate, the amount needed to raise the ISD to \$281. Requires an ISD's payment under Sec. 56(2) to count toward the amount needed under this subsection.	Restricted	0	34,200,000
	GF/GP	\$0	\$0

SCHOOL AID

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
10. Special Education Cost Reimbursement (Sec. 51f)	Gross	\$60,207,000	\$30,000,000
Increases by \$30.0 million SAF for a total of \$90.2 million SAF to reimburse districts and ISDs for an estimated 3.0% of total approved special education costs. Districts and ISDs are also reimbursed under Sec. 51c for a portion of total approved special education costs and total approved special education transportation costs as mandated by the <i>Durant</i> court case.	Restricted	60,207,000	30,000,000
	GF/GP	\$0	\$0
11. Inkster Operating Debt (Sec. 22g) – NEW	Gross	\$0	\$25,500,000
Provides \$25.5 million SAF for an ISD to pay outstanding operating debt and accrued school bond loan fund interest for a dissolved school district (Inkster).	Restricted	0	25,500,000
	GF/GP	\$0	\$0
12. School Mental Health and Support Services (Sec. 31n)	Gross	\$36,900,000	\$17,000,000
Increases by \$17.0 million SAF for a total of \$53.9 million Gross (\$1.3 million GF/GP) for student mental health supports. Increases the allocation for behavioral health providers in schools by \$5.0 million SAF for a total of \$14.3 million SAF. Increases the allocation to ISDs for mental health and support services by \$12.0 million SAF for a total of \$37.8 million SAF and allows funds to be used for behavioral health providers with less than a master's degree if the Department of Health and Human Services (DHHS) verifies that the ISD was not able to procure services from a master's level provider. Increases the payment to each ISD for mental health and support services from \$460,700 to \$575,000 and allocates the remaining \$5.6 million to ISDs on an equal per-pupil basis. Adds that recipients of funds for mental health and support services are encouraged to provide suicide prevention and awareness education and counseling. Adds that MDE may reallocate funds to other ISDs if funding awarded to an ISD for FY 2018-19 or FY 2019-20 remains unspent as of April 1, 2022.	Restricted	35,600,000	17,000,000
	GF/GP	\$1,300,000	\$0
13. Bilingual Education (Sec. 41)	Gross	\$13,000,000	\$12,200,000
Increases by \$12.2 million SAF for a total of \$25.2 million SAF for services to English language learners (ELLs) that have been administered the WIDA Access or WIDA Alternate Access.	Restricted	13,000,000	12,200,000
	GF/GP	\$0	\$0
14. Benchmark Assessments for 2022-23 (Sec. 104h) – NEW	Gross	\$0	\$11,500,000
Provides \$11.5 million SAF for districts to begin implementation of a benchmark assessment system for the 2022-23 school year. Provides a payment of \$12.50 per pupil in grades K-8 to each eligible district. Requires a recipient district to pledge to administer benchmark or local benchmark assessments to all pupils in grades K-8 within the first nine weeks of school and again by the last day of the 2022-23 school year. Requires MDE to report by June 15, 2023 on the benchmark data.	Restricted	0	11,500,000
	GF/GP	\$0	\$0
15. School Safety Grants (Sec. 97) – NEW	Gross	\$0	\$10,000,000
Provides \$10.0 million Gross (\$2.5 million GF/GP) for competitive grants for public and nonpublic schools, districts, and ISDs to create a safer school environment through equipment and technology enhancements. Caps grants at \$50,000 for a school and \$250,000 for a district or ISD.	Restricted	0	7,500,000
	GF/GP	\$0	\$2,500,000
16. CTE Equipment Upgrades (Sec. 61c)	Gross	\$0	\$7,500,000
Provides \$7.5 million GF/GP for grants to eligible career education planning districts (CEPDs) for a skilled trades initiative.	Restricted	0	0
	GF/GP	\$0	\$7,500,000
17. Special Education Task Force – Early On (Sec. 54d)	Gross	\$7,150,000	\$7,000,000
Increases by \$7.0 million SAF for a total of \$14.2 million SAF for grants to ISDs to provide Early On services for children birth to age 3. (See Major Boilerplate Changes for Sec. 54d below.)	Restricted	7,150,000	7,000,000
	GF/GP	\$0	\$0

SCHOOL AID

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change	
18. PRIME (Sec. 67b) – NEW		Gross	\$0	\$6,000,000
Provides \$6.0 million federal Coronavirus State Fiscal Recovery Fund under the ARP Act for the SME Education Foundation’s Partnership Response in Manufacturing (PRIME) initiative.		Federal	0	6,000,000
		Restricted	0	0
		GF/GP	\$0	\$0
19. Imagine Learning (Sec. 99u)		Gross	\$1,500,000	\$4,500,000
Increases by \$4.5 million GF/GP for a total of \$6.0 million GF/GP for Imagine Learning to provide an online mathematics tool and a targeted literacy instruction program.		Restricted	0	0
		GF/GP	\$1,500,000	\$4,500,000
20. Early Literacy Professional Learning (Sec. 35a(10)) – NEW		Gross	\$0	\$4,000,000
Provides \$4.0 million SAF to districts on an equal per-first-grade pupil basis. Requires MDE to open voluntary enrollment of educators in PreK through 3rd grade, prioritizing PreK through 1st grade, in professional learning provided by MDE-approved providers.		Restricted	0	4,000,000
		GF/GP	\$0	\$0
21. Attendance Recovery (Sec. 25i)		Gross	\$2,000,000	\$4,000,000
Increases by \$4.0 million GF/GP for a total of \$6.0 million GF/GP for an attendance recovery program for all districts that opt in to serve eligible students. Adds that a pupil that was eligible to participate in a district’s summer 2021 educational offerings is eligible under this section.		Restricted	0	0
		GF/GP	\$2,000,000	\$4,000,000
22. YMCA Youth in Government (Sec. 99bb) – NEW		Gross	\$0	\$3,750,000
Provides \$3.8 million GF/GP for the State Alliance of Michigan YMCAs for competitive grants to districts, ISDs, and nonpublic schools for the Youth in Government program.		Restricted	0	0
		GF/GP	\$0	\$3,750,000
23. Remote Learning Library (Sec. 51g) – NEW		Gross	\$0	\$3,000,000
Provides \$3.0 million GF/GP for an association for administrators of special education services to develop content for special education students and teachers. Funds may be used to support the development of assessment tools to measure the needs of students with special education needs in remote learning environments. This item was funded at \$1.5 million GF/GP in the MDE budget for FY 2020-21.		Restricted	0	0
		GF/GP	\$0	\$3,000,000
24. ISD General Operations Support (Sec. 81)		Gross	\$69,138,000	\$2,765,600
Increases by \$2.8 million SAF for a total of \$71.9 million SAF for payments to ISDs for general operations. Each ISD would receive 104.0% of its FY 2020-21 funding.		Restricted	69,138,000	2,765,600
		GF/GP	\$0	\$0
25. At-Risk Pupil Support (Sec. 31a)		Gross	\$522,000,000	\$2,500,000
Increases by \$2.5 million SAF for a total of \$524.5 million SAF for instructional programs and direct noninstructional services for at-risk pupils. Revises the allocation to a district with state and local revenue exceeding the target foundation allowance for both the current and prior year from 30% to 35% of the amount for which it would otherwise be eligible. For districts eligible to use funds for school security, strikes 20% cap and expands allowable uses to include school parent liaison personnel. Requires the school security or liaison personnel to connect parents to the community. Also strikes cap of 7.5% of funds for a coaching model or MTSS professional development. Provides that a district may use up to 10% on PreK at-risk pupils. Revises provision allowing funds to be used for instructional or behavioral coaches to allow funds to be used for support staff providing services to at-risk pupils.		Restricted	522,000,000	2,500,000
		GF/GP	\$0	\$0
26. C.O.O.R. ISD CTE Program (Sec. 61g) – NEW		Gross	\$0	\$2,500,000
Provides \$2.5 million SAF for C.O.O.R. ISD to support its CTE offerings, which may include building retrofitting, equipment purchases, and other associated expenditures.		Restricted	0	2,500,000
		GF/GP	\$0	\$0

SCHOOL AID

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
27. Flint Declaration of Emergency (Sec. 11s)	Gross	\$8,075,100	\$0
Maintains appropriation of \$8.1 million Gross (\$3.1 million GF/GP), but revises allocations as follows: reduces by \$400,000 SAF the allocation for early intervention services for children between 3-5 years of age and increases by \$400,000 SAF the allocation for interventions and supports for students in grades K-12. Strikes requirement that Genesee ISD ensure that all eligible children who are under 4 years old as of September 1, 2016 are evaluated at least twice annually.	Restricted	5,000,100	0
	GF/GP	\$3,075,000	\$0
28. Genesee Early Childhood Collaborative (Sec. 11s(7)) – NEW	Gross	\$0	\$1,000,000
Provides \$1.0 million GF/GP for an early childhood collaborative that serves students in Genesee County. Requires the collaborative to continue the expansion of early childhood services in response to the drinking water declaration of emergency. This item was funded as one-time in the MDE budget for FY 2020-21.	Restricted	0	0
	GF/GP	\$0	\$1,000,000
29. Genesee Early Childhood Collaborative Enrollment Software and Staff (Sec. 11s(8)) – NEW	Gross	\$0	\$1,384,900
Provides \$1.4 million GF/GP for the early childhood collaborative under Sec. 11s(7) to support enrollment software and staff. Provides requirements for the enrollment program selected and requires the collaborative to allocate funds over three phases to provide explicit, targeted enrollment.	Restricted	0	0
	GF/GP	\$0	\$1,384,900
30. Isolated District Funding (Sec. 22d)	Gross	\$7,000,000	\$1,420,000
Increases by \$1.4 million SAF for a total of \$8.4 million SAF. Increases the allocation for small, isolated districts from \$957,300 to \$1.6 million. Maintains allocation of \$6.0 million for districts with fewer than 10.0 pupils per square mile. Allocates \$820,000 for payments to districts that have greater than 250 square miles and that do not otherwise receive funding under this section.	Restricted	7,000,000	1,420,000
	GF/GP	\$0	\$0
31. Court-Placed Pupils (Sec. 24)	Gross	\$7,150,000	\$500,000
Increases by \$500,000 SAF for a total of \$7.7 million SAF for reimbursements to districts for added costs of educating court-placed pupils in a local juvenile detention facility.	Restricted	7,150,000	500,000
	GF/GP	\$0	\$0
32. Virtual Learning Support Grants (Sec. 25j)	Gross	\$2,000,000	(\$2,000,000)
Eliminates \$2.0 million SAF for ISDs to address student needs associated with virtual instruction.	Restricted	2,000,000	(2,000,000)
	GF/GP	\$0	\$0
33. Promise Zone Funding (Sec. 26c)	Gross	\$9,700,000	\$4,100,000
Increases by \$4.1 million SAF for a total of \$13.8 million SAF for required funds for districts and ISDs with an approved Promise Zone development plan.	Restricted	9,700,000	4,100,000
	GF/GP	\$0	\$0
34. Brownfield Redevelopment Reimbursements (Sec. 26d) – NEW	Gross	\$0	\$7,500,000
Provides \$7.5 million SAF for reimbursements to ISDs as required under Sec. 15b of the Brownfield Redevelopment Financing Act, 1996 PA 381, MCL 125.2665b. Funds support reimbursement for any tax increment revenues captured by an authority under the act.	Restricted	0	7,500,000
	GF/GP	\$0	\$0
35. Increasing Enrollment (Sec. 29a)	Gross	\$66,000,000	(\$66,000,000)
Eliminates \$66.0 million SAF for payments to districts for which the FY 2020-21 membership blend as it would have normally been calculated in a non-pandemic year exceeds the FY 2020-21 pupil membership calculation (the “superblend”).	Restricted	66,000,000	(66,000,000)
	GF/GP	\$0	\$0

SCHOOL AID

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Major Budget Changes from FY 2020-21 YTD Appropriations			
36. Hearing, Vision, & Dental Screening (Sec. 31a(8))	Gross	\$5,150,000	\$1,500,000
Increases by \$1.5 million GF/GP for a total of \$6.7 million Gross (\$1.5 million GF/GP) to add dental screenings as an eligible use of funds in addition to hearing and vision screenings.	Restricted	5,150,000	0
	GF/GP	\$0	\$1,500,000
37. Local Produce in School Meals (Sec. 31j)	Gross	\$2,000,000	\$2,500,000
Increases by \$2.5 million Gross (\$300,000 GF/GP) for a total of \$4.5 million Gross (\$500,000 GF/GP) to support the purchase of locally grown fruits and vegetables. Revises from supporting districts and sponsors of child care centers to supporting districts and other non-school sponsors. Note: The bill includes a drafting error that shows the total SAF in this section as \$4.5 million rather than \$4.0 million. (See Major Boilerplate Changes for Sec. 31j below.)	Restricted	1,800,000	2,200,000
	GF/GP	\$200,000	\$300,000
38. Student Meal Debt Forgiveness (Sec. 31k)	Gross	\$1,000,000	(\$1,000,000)
Eliminates \$1.0 million SAF for payments to reimburse districts that have forgiven all outstanding student meal debt.	Restricted	1,000,000	(1,000,000)
	GF/GP	\$0	\$0
39. Early Childhood Block Grants (Sec. 32p)	Gross	\$13,400,000	\$0
Maintains appropriation of \$13.4 million SAF for early childhood funding block grants to ISDs, but adds that a great start collaborative and parent coalition must include an active partnership with at least one community-based organization.	Restricted	13,400,000	0
	GF/GP	\$0	\$0
40. Added Instructional Time (Sec. 35a(5))	Gross	\$19,900,000	\$0
Maintains \$19.9 million SAF for districts that provide additional instructional time to pupils in grades PreK to 3 who have been identified as needing additional supports and interventions in order to be reading at grade level by the end of grade 3. Revises several criteria for allowable uses for up to 5% of funds related to screening and diagnostic tools.	Restricted	19,900,000	0
	GF/GP	\$0	\$0
41. Literacy Essentials (Sec. 35a(7))	Gross	\$4,000,000	\$2,000,000
Increases by \$2.0 million SAF for a total of \$6.0 million SAF the allocation to Gogebic-Ontonagon ISD, in partnership with an association that represents ISD administrators, to implement the following: literacy essentials training modules; professional learning of these modules; regional lead literacy coaches to facilitate professional learning for early literacy coaches; and principals literacy training. Adds a fifth requirement to implement job-embedded professional learning opportunities for math teachers through mathematics instructional coaching.	Restricted	4,000,000	2,000,000
	GF/GP	\$0	\$0
42. Michigan Education Corps (Sec. 35a(8))	Gross	\$2,773,000	\$727,000
Increases by \$727,000 GF/GP for a total of \$3.5 million GF/GP to the Michigan Education Corps for the PreK Reading Corps and the K3 Reading Corps. Excludes this subsection from the requirement that staff or contracted employees under Sec. 35a be designated as critical shortage.	Restricted	0	0
	GF/GP	\$2,773,000	\$727,000
43. Orton-Gillingham Tool (Sec. 35d)	Gross	\$500,000	\$500,000
Increases by \$500,000 GF/GP for a total of \$1.0 million GF/GP for grants to districts and ISDs for a program for children with dyslexia. Revises from a one-on-one tutoring program to an eligible teacher training program.	Restricted	0	0
	GF/GP	\$500,000	\$500,000
44. Alliance of Boys and Girls Clubs (Sec. 35e)	Gross	\$1,000,000	\$1,000,000
Increases by \$1.0 million GF/GP for a total of \$2.0 million GF/GP for the Alliance of Boys and Girls Clubs to provide early literacy and academic support to at-need youth.	Restricted	0	0
	GF/GP	\$1,000,000	\$1,000,000

SCHOOL AID

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
45. Chaldean Community Foundation (Sec. 35f)	Gross	\$500,000	\$250,000
Increases by \$250,000 GF/GP for a total of \$750,000 GF/GP for the Chaldean Community Foundation to support and expand early childhood learning opportunities, improve early literacy achievement, increase high school graduation rates for new Americans, and assist with diploma acquisition, skills training, and postsecondary education.	Restricted	0	0
	GF/GP	\$500,000	\$250,000
46. Innovative Community Libraries (Sec. 35g) – NEW	Gross	\$0	\$1,000,000
Provides \$1.0 million SAF for grants to districts that have established innovative community libraries (ICLs). Requires MDE’s Innovation Council to rank and award 20 grants based on how the ICL and community partners have addressed early literacy gaps, how the ICL has connected different readers together, and how the ICL will promote its approach to other districts or communities.	Restricted	0	1,000,000
	GF/GP	\$0	\$0
47. Jewish Federation of Metro Detroit (Sec. 35h) – NEW	Gross	\$0	\$1,700,000
Provides \$1.7 million GF/GP for the Jewish Federation of Metro Detroit for mitigating the impact of remote learning on students’ mental health and physical well-being.	Restricted	0	0
	GF/GP	\$0	\$1,700,000
48. Federal Grants (Sec. 39a)	Gross	\$804,200,000	\$4,600,000
Increases federal grants under Every Student Succeeds Act (ESSA) by \$3.1 million and adds a \$1.5 million federal grant for addressing priority substance abuse treatment, prevention, and mental health needs for a total of \$808.8 million.	Federal	804,200,000	4,600,000
	Restricted	0	0
	GF/GP	\$0	\$0
49. Mi Alma Exito Educativo Program (Sec. 41a) – NEW	Gross	\$0	\$450,000
Provides \$450,000 GF/GP for Mi Alma for the Exito Educativo after-school program.	Restricted	0	0
	GF/GP	\$0	\$450,000
50. Special Education (Secs. 51a, 51c, 51d, 53a, 54, & 56)	Gross	\$1,525,296,100	\$49,400,000
Increases by \$49.4 million Gross (\$0 GF/GP) to reflect revised consensus cost estimates for special education costs. Total estimated special education expenditures for FY 2021-22 are \$1.6 billion.	Federal	446,000,000	5,000,000
	Restricted	1,079,296,100	44,400,000
	GF/GP	\$0	\$0
51. Transportation Costs (Sec. 78) – VETOED	Gross	\$0	\$0
Governor vetoed \$1.0 million SAF for equal per-pupil payments for transportation costs to districts that meet all of the following: receive the minimum foundation allowance; have between 7,800 and 20,000 pupils; have at least 98 square miles; provide busing to students; use buses to distribute school meals; are not eligible for funding under Sec. 22d.	Restricted	0	0
	GF/GP	\$0	\$0
52. Center for Educational Performance and Information (CEPI) (Sec. 94a)	Gross	\$17,042,400	\$2,000,000
Increases by \$2.0 million GF/GP for a total of \$19.0 million Gross (\$18.8 million GF/GP) to support the operations of CEPI and for the P-20 longitudinal data system. (See Economic Adjustments below, which reflects an additional reduction of \$46,400 GF/GP for CEPI.)	Federal	193,500	0
	Restricted	0	0
	GF/GP	\$16,848,900	\$2,000,000
53. LAUNCH MI (Sec. 94b)	Gross	\$100	(\$100)
Eliminates \$100 GF/GP placeholder for the Connecting Information in Education Committee.	Restricted	0	0
	GF/GP	\$100	(\$100)

SCHOOL AID

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
54. K-12 Reporting, Noninstructional Staffing/Spending, and Information Technology (IT) Strategy (Sec. 94c) – NEW	Gross	\$0	\$1,500,000
Provides \$1.5 million GF/GP for a vendor selected by MDE through a competitive bid process to compile a report for the legislature that includes all of the following: a strategy to streamline the reporting that districts and ISDs must submit under state law; recommendations for an annual process to measure noninstructional staffing and spending by districts and ISDs and options to optimize noninstructional spending; and recommendations for an IT strategy and identification of a shortlist of IT systems that districts and ISDs can use in transition as existing systems are retired.	Restricted	0	0
	GF/GP	\$0	\$1,500,000
55. Special Education Personnel Task Force (Sec. 94d) – NEW	Gross	\$0	\$1,500,000
Provides \$1.5 million SAF for a task force to develop a comprehensive multi-year plan to attract, prepare, and retain qualified personnel for children with disabilities. Provides intent that the funding is to support the task force for 3 years.	Restricted	0	1,500,000
	GF/GP	\$0	\$0
56. Navigate 360 (Sec. 97a) – NEW	Gross	\$0	\$1,947,000
Provides \$1.9 million GF/GP for Michigan Virtual University to support Navigate 360.	Restricted	0	0
	GF/GP	\$0	\$1,947,000
57. FIRST Robotics (Sec. 99h)	Gross	\$4,700,000	\$623,200
Increases by \$623,200 Gross (\$300,000 GF/GP) for a total of \$5.3 million Gross (\$600,000 GF/GP). Adds Square One as an eligible program.	Restricted	4,400,000	323,200
	GF/GP	\$300,000	\$300,000
58. MiSTEM Grants (Sec. 99s)	Gross	\$8,169,300	\$0
Maintains \$8.2 million Gross (\$300,000 GF/GP) but re-brands the MiSTEM Network to MiSTEAM Network to account for an additional focus on the arts. Also revises MiSTEM Advisory Council to MI-STEM Council to align with Executive Order 2019-13. Requires that from the \$3.1 million SAF allocation for grants, \$350,000 must be awarded to ISDs for fabrication laboratories (Fab Labs).	Federal	235,000	0
	Restricted	7,634,300	0
	GF/GP	\$300,000	\$0
59. Algebra Nation (Sec. 99t)	Gross	\$1,000,000	\$1,000,000
Increases by \$1.0 million GF/GP for a total of \$2.0 million GF/GP for an online algebra tool (Algebra Nation).	Restricted	0	0
	GF/GP	\$1,000,000	\$1,000,000
60. Teacher Retention Payment (Sec. 99z)	Gross	\$5,000,000	(\$5,000,000)
Eliminates \$5.0 million SAF for payments to first-year teachers who complete the school year as a full-time teacher at their district.	Restricted	5,000,000	(5,000,000)
	GF/GP	\$0	\$0
61. Project SEARCH (Sec. 99aa) – NEW	Gross	\$0	\$1,500,000
Provides \$1.5 million SAF for an ISD that has partnered with Project SEARCH to provide opportunities for high school students with disabilities to train for, gain, and maintain competitive employment.	Restricted	0	1,500,000
	GF/GP	\$0	\$0
62. Education Assessments (Sec. 104)	Gross	\$37,259,400	(\$1,500,000)
Reduces by \$1.5 million SAF for a total of \$35.8 million Gross (\$0 GF/GP), which represented the allocation for statewide implementation of the Michigan Kindergarten Entry Observation (MKEO) tool.	Federal	6,250,000	0
	Restricted	31,009,400	(1,500,000)
	GF/GP	\$0	\$0
63. Return to Learn Study (Sec. 104(16))	Gross	\$150,000	(\$150,000)
Eliminates \$150,000 GF/GP for a study to assess distance-learning programs utilized in Michigan, assess how the programs operated, assess best practices implemented by the programs, and note models that were ineffective.	Restricted	0	0
	GF/GP	\$150,000	(\$150,000)

SCHOOL AID

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
64. Digital Literacy Training (Sec. 104f)	Gross	\$500,000	\$0
Maintains current-year appropriation for the implementation of an assessment digital literacy preparation program for pupils in grades K to 8, but revises fund source to SAF and revises to add that the funds are allocated to a district.	Restricted	0	500,000
	GF/GP	\$500,000	(\$500,000)
65. Adult Education (Sec. 107)	Gross	\$30,500,000	\$0
Maintains appropriation of \$30.5 million SAF, but revises the funding amount for each ISD to be calculated as follows: 60% based on the prosperity region's proportion of total state population between ages 18-24 that are not high school graduates; 35% based on the region's proportion of total state population ages 25 and older that are not high school graduates; and 5% based on the region's proportion of total state population ages 18 and older that are lacking basic English proficiency. Implements a 25% cap on the number of participants that may already have a high school diploma or equivalency certificate and provides intent that the cap continue to be lowered annually until it reaches 0%. (See Major Boilerplate Changes for Sec. 107 below.)	Restricted	30,500,000	0
	GF/GP	\$0	\$0
66. Reimbursements to Nonpublic Schools (Sec. 152b)	Gross	\$0	\$1,000,000
Provides \$1.0 million GF/GP to reimburse nonpublic schools for the costs of complying with state requirements for the health, safety, and welfare of students.	Restricted	0	0
	GF/GP	\$0	\$1,000,000
67. Other Major Cost Adjustments	Gross	\$589,044,000	\$12,259,400
Revises the following to reflect updated cost estimates:	Federal	550,000,000	6,000,000
• Sec. 11m – Reduces cash flow borrowing by \$1.9 million SAF to \$9.5 million SAF.	Restricted	39,044,000	6,259,400
• Sec. 26b – Increases payment in lieu of taxes (PILT) by \$65,000 SAF to \$4.7 million SAF.	GF/GP	\$0	\$0
• Sec. 31d – Increases state school lunch costs by \$694,400 SAF to \$23.8 million SAF.			
• Sec. 31d – Increases federal school lunch costs by \$6.0 million to \$556.0 million.			
• Sec. 31f – Increases state school breakfast costs by \$7.4 million SAF to \$11.9 million SAF.			
68. Economic Adjustments	Gross	NA	(\$55,100)
Reflects a decrease in costs of \$55,100 Gross, including a decrease of \$46,400 GF/GP, for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Restricted	NA	(8,700)
	GF/GP	NA	(\$46,400)

Major Boilerplate Changes from FY 2020-21

Sec. 4. Definitions – REVISED

Removes the Test Assessing Secondary Completion (TASC) by CTS/McGraw Hill as an eligible high school equivalency test.

Sec. 6. Pupil Membership Definitions – REVISED

Revises pupil membership calculation back to a traditional 90/10 blend after FY 2020-21 used a "superblend" (75% of the prior-year membership blend plus 25% of the current-year blend) and permitted remote pandemic learning.

Reinstates, for FY 2021-22 only, a provision allowing instruction by a noncertificated, nonendorsed teacher engaged to teach under Sec. 1233b of the Revised School Code. (See Supplemental Boilerplate Changes for Sec. 6.)

SCHOOL AID

Major Boilerplate Changes from FY 2020-21

Sec. 18. Spending, Financial Reporting, and Audit Requirements – REVISED

Clarifies that the audit report that must be posted on a district's or ISD's website is the financial audit (i.e., not the pupil audit). Revises deadlines for financial audit reports and financial data back to November dates after they were postponed by one month for FY 2020-21 only.

Requires MDE to publish any changes to the pupil accounting manual by March 31, but adds that if legislation is enacted that necessitates adjustments after March 31, and a district incurs a violation in the subsequent fiscal year, MDE must notify the district and allow 30 days for correction before imposing financial penalties.

Sec. 19. State and Federal Reporting Requirements – REVISED

Adds requirement that districts submit to CEPI information regarding completion of early middle college credentials and postsecondary credits obtained in any college acceleration program.

Sec. 31j. Locally Grown Produce in Schools – REVISED

Revises from permitting recipients to retain up to 10% of funds and MDE up to 6% of funds for administration to permitting project partners to retain 1% of funds per partner and MDE up to 5% of funds. Project partners may use funds for data collection, outreach, and training. Strikes requirement that MDE must work in conjunction with recipients to develop application scoring criteria. Revises requirement that a recipient provide calendars or monthly menus to requiring a recipient to retain monthly menus.

Sec. 31m. School Mental Health and Support Services Fund – REVISED

Revises to require money in the School Mental Health and Support Services Fund to lapse to the School Aid Fund at the close of the fiscal year.

Sec. 32d. Great Start Readiness Program – REVISED

Revises one of the pathways for eligibility as a lead teacher (currently, that the teacher has a valid teaching certificate with an early childhood endorsement) as follows: clarifies that the teaching certificate be from Michigan and adds a lower elementary endorsement option. Provides that five years of experience as a paraprofessional in a GSRP classroom qualifies as an additional pathway if the paraprofessional is completing training with a 3 year plan to come into compliance.

Removes provisions included for FY 2020-21 only, which include: an expansion from 250% of Federal Poverty Guidelines (FPG) to 400% FPG for the threshold at which ISDs must charge families tuition; a waiver from required hours, days, and weeks; and a waiver from household income eligibility thresholds.

Revises the percentage of children that must meet household income eligibility guidelines from 90% to 85%.

Sec. 35a. Early Literacy – REVISED

Adds requirement that the state superintendent report, both in-person and in writing, to the House and Senate subcommittees on school aid by December 31, 2021 regarding progress on the goal that Michigan will be in the top ten states in grade four reading proficiency by 2025.

Sec. 54d. Special Education Task Force Reforms: Early On – REVISED

Adds requirement that a grant recipient expend funds before June 30 of the fiscal year following the fiscal year in which funds were received.

Sec. 61b. Career and Technical Education (CTE) Early Middle Colleges – REVISED

Expands requirements for ISDs to be an eligible fiscal agent by adding the following: report the total number of college credits a student earned at the time of high school graduation; and report each award outcome attained by a student.

Revises eligibility criteria for a CTE dual enrollment program as follows: expands from requiring an articulation agreement with at least 1 postsecondary institution to also allow for a college credit agreement; and revises the list of potential student outcomes to the following: an associate degree, 60 college credits, professional certification, Michigan Early Middle College Association certificate, or participation in a registered apprenticeship.

Sec. 91a. Cessation of a Pilot ISD Schools of Choice Program – DELETED

Repeals this section, which requires districts to continue enrolling pupils enrolled in a district under a pilot ISD schools of choice program under former Sec. 91 even if the program ceases to exist or if the school district ceases to participate.

Sec. 91c. Participation in Interscholastic Competition – DELETED

Repeals this section, which prohibits pupils enrolled in a district under a pilot ISD schools of choice program under former Sec. 91 from participating in interscholastic athletic competition for one semester.

Major Boilerplate Changes from FY 2020-21

Sec. 98b. Benchmark Reporting Requirements – NEW

Requires districts to comply with the following in order to receive state aid under this article: by the February board meeting and again by the end of the school year, the superintendent must present results from benchmark assessments under Sec. 104a to the school board, including each school’s progress toward educational goals developed under this section; disaggregate the benchmark results by grade level, student demographic, and mode of instruction; compile the benchmark results into a report on the district’s website; by September 15, 2021, establish educational goals for the middle and end of the 2021-22 school year; and ensure compliance with Sec. 104a. By June 30, 2022, requires MDE to create a template for districts’ educational goals. Requires the State Superintendent to report on the results of benchmark assessments and, if requested, present the report in person.

Sec. 101. Eligibility to Receive State Aid – REVISED

Removes provisions included for FY 2020-21 only, which include a waiver from the 75% daily attendance threshold and a waiver from required hours and days of pupil instruction.

Sec. 104g. SAT/PSAT – REVISED

Expands requirement that districts make the SAT and PSAT available to students who were not able to take the exams in the previous year to also include students who took the exam but request to take the exam again. Requires MDE to grant credits to districts that administer the exam and submit proof of payment.

Sec. 105. Schools of Choice Within ISDs – REVISED

Removes provisions included for FY 2020-21 only, which revise the deadlines for districts to accept applications for nonresident enrollment, notify parents, and enroll nonresident applicants. Additionally, removes provision that allows a pupil enrolled as a nonresident pupil in the 1995-96 school year and enrolled continuously each school year to continue to enroll in the district without requiring application for enrollment under this section.

Sec. 105b. ISD Pilot Schools of Choice Program – DELETED

Repeals this section, which exempts an ISD that operates a pilot schools of choice program and its constituent districts from Sec. 105.

Sec. 105c. Schools of Choice Among Contiguous ISDs – REVISED

Removes provisions included for FY 2020-21 only, which revise the deadlines for districts to accept applications for nonresident enrollment, notify parents, and enroll nonresident applicants. Additionally, removes provision that allows a pupil enrolled as a nonresident pupil in the 1995-96 school year and enrolled continuously each school year to continue to enroll in the district without requiring application for enrollment under this section.

<u>FY 2020-21 Supplemental Appropriation Items</u>		<u>Appropriation Change</u>
1. Foundation Allowances (Secs. 22a & 22b)	Gross	(\$53,000,000)
Reduces by \$53.0 million to a total of \$9.4 billion Gross (\$4.2 million GF/GP) to reflect updated consensus cost estimates for pupil membership counts and taxable values.	Restricted	(56,500,000)
	GF/GP	\$3,500,000
2. ESSER III Per-Pupil Equalization (Sec. 11t)	Gross	\$361,983,000
Provides \$362.0 million federal ESSER III Fund under the ARP Act for districts that receive less than \$1,093 per pupil through the ESSER III formula grants under Sec. 11r(8). Payments are equal to the district’s pupil membership multiplied by the difference between \$1,093 and the district’s ESSER III formula payment per pupil. In accordance with requirements under the ARP Act, requires districts to dedicate 51.4% of funds for activities to address learning loss, 10.3% for the implementation of summer enrichment programs, and 10.3% for the implementation of after-school programs. Requires districts to submit a spending plan and application to MDE by 45 days after the effective date of the amendment.	Federal	361,983,000
	Restricted	0
	GF/GP	\$0
3. ESSER III Formula Grants Increase (Sec. 11n(3))	Gross	\$2,380,800
Provides \$2.4 million federal ESSER III Fund under the ARP Act due to an increase in the state’s ESSER III allocation. Total funding under the ARP Act for formula grants is \$3.4 billion (\$3.3 billion is in Sec. 11r(8) under HB 4421 as passed by the legislature). Districts may use funds only as designated under federal law, including that 20% must be reserved to address learning loss.	Federal	2,380,800
	Restricted	0
	GF/GP	\$0

SCHOOL AID

<u>FY 2020-21 Supplemental Appropriation Items</u>		<u>Appropriation Change</u>
4. TRAILS Program (Sec. 31p) – NEW	Gross	\$5,400,000
Provides \$5.4 million SAF for grants to ISDs to implement a TRAILS program that improves youth access to evidence-based mental health services by training school mental health professionals in effective practices. Provides that funds may be carried forward into FY 2021-22 with an estimated work project completion date of September 30, 2024.	Restricted	5,400,000
	GF/GP	\$0
5. Cash Flow Borrowing (Sec. 11m)	Gross	(\$2,700,000)
Reduces by \$2.7 million SAF to a total of \$8.7 million SAF to reflect updated cost estimates for the interest costs of inter-fund borrowing between the School Aid Fund and the General Fund to balance the timing of revenue collections and required state aid payments.	Restricted	(2,700,000)
	GF/GP	\$0
6. Court-Placed Pupils (Sec. 24)	Gross	\$500,000
Increases by \$500,000 SAF for a total of \$7.7 million SAF for reimbursements to districts for added costs of educating court-placed pupils in a local juvenile detention facility.	Restricted	500,000
	GF/GP	\$0
7. Promise Zone Funding (Sec. 26c)	Gross	\$1,600,000
Increases by \$1.6 million SAF for a total of \$11.3 million SAF for required funds for districts and ISDs with an approved Promise Zone development plan.	Restricted	1,600,000
	GF/GP	\$0
8. Increasing Enrollment (Sec. 29a)	Gross	(\$16,000,000)
Reduces by \$16.0 million SAF for a total of \$50.0 million SAF for payments to districts for which the FY 2020-21 membership blend as it would have normally been calculated in a non-pandemic year exceeds the FY 2020-21 pupil membership calculation (the “superblend”).	Restricted	(16,000,000)
	GF/GP	\$0
9. School Lunch Programs (Sec. 31d)	Gross	\$366,666,000
Increases by \$366.7 million Gross for a total of \$939.8 million Gross (\$0 GF/GP) for the state share of school lunch programs as required by the <i>Durant</i> settlement.	Federal	365,971,600
	Restricted	694,400
	GF/GP	\$0
10. School Breakfast Programs (Sec. 31f)	Gross	\$7,400,000
Increases by \$7.4 million SAF for a total of \$11.9 million SAF for reimbursements to districts for the cost of providing breakfast.	Restricted	7,400,000
	GF/GP	\$0
11. Federal Grants (Sec. 39a)	Gross	\$25,967,000
Increases federal grants under Every Student Succeeds Act (ESSA) by \$3.1 million and other federal grants by \$22.9 million for a total of \$830.2 million.	Federal	25,967,000
	Restricted	0
	GF/GP	\$0
12. Special Education (Secs. 51a, 51c, 51d, 53a, 54, & 56)	Gross	\$93,947,000
Increases by \$93.9 million federal to reflect revised consensus cost estimates for special education costs. Total estimated special education expenditures for FY 2020-21 are \$1.6 billion.	Federal	93,947,000
	Restricted	0
	GF/GP	\$0
13. MPSERS (Secs. 147a, 147c, 147d (NEW), & 147e)	Gross	\$17,964,000
Increases total state support for K-12 MPSERS costs by a net \$18.0 million SAF by increasing the appropriation for increased normal costs by \$35.3 million to \$190.5 million (\$70,000 GF/GP) (Sec. 147a(2)) and decreasing the appropriation for reimbursements for the increased normal costs associated with reforms under 2017 PA 92 by \$17.6 million to \$33.8 million (Sec. 147e). Total state support for K-12 MPSERS costs is \$1.5 billion.	Restricted	17,964,000
	GF/GP	\$0

FY 2020-21 Supplemental Boilerplate Items

Sec. 6. Pupil Membership Definitions – REVISED

Reinstates, for FY 2020-21 only, a provision allowing instruction by a noncertificated, nonendorsed teacher engaged to teach under Sec. 1233b of the Revised School Code. (Originally, this provision was removed beginning in FY 2020-21.)

FY 2020-21 Supplemental Boilerplate Items

Sec. 11s. Flint Declaration of Emergency – REVISED

Strikes requirement that Genesee ISD ensure that all eligible children who are under 4 years old as of September 1, 2016 are evaluated at least twice annually.

Sec. 81. ISD General Operations Support – REVISED

Adds requirement that an ISD receiving funding assist its constituent districts in addressing COVID-19, including coordination with local public health agencies and ensuring all districts have equitable access to the ISD's coordination activities and services.

Sec. 104a. Benchmark Assessments for 2021-22 – REVISED

Increases the number of benchmark assessment providers MDE must approve from 4-5 to 4-6 and revises requirements for the benchmark assessments that must be approved.

Revises requirement that a district submit grade-level data to MDE within 30 days after administering a benchmark assessment by also requiring the data to be aggregated by demographic subgroup and mode of instruction.

SCHOOL AID

LINE ITEM SUMMARY

Sec.	LINE ITEM SUMMARY	FY 2020-2021	FY 2020-2021	FY 2020-2021		FY 2021-2022		FY 2021-2022	
		FY 21 PA 165 of 2020 2/11/21 YTD	FY 21 HB 4048 Enacted PA 3 of 2021	HB 4411 Supplemental Changes	FY 21 HB 4411 Enacted PA 48 of 2021	Change from FY 21 2/11/21 YTD	FY 22 HB 4411 Enrolled	Vetoed	FY 22 HB 4411 Enacted PA 48 of 2021
11d	Per-Pupil School Aid Payment	\$95,000,000	\$95,000,000		\$95,000,000		(\$95,000,000)	\$0	\$0
11j	School Bond Redemption Fund	\$111,000,000	\$111,000,000		\$111,000,000			\$111,000,000	\$111,000,000
11m	Cash Flow Borrowing Costs	\$11,400,000	\$11,400,000	(\$2,700,000)	\$8,700,000		(\$1,900,000)	\$9,500,000	\$9,500,000
11n(3)	Federal ESSER III Formula Grant Increase - NEW	\$0	\$0	\$2,380,800	\$2,380,800			\$0	\$0
11r(2)&(3)	Federal CRRSA ESSER II Formula Grants - NEW	\$0	\$650,000,000		\$650,000,000			\$0	\$0
11r(4)	State ESSER II Per-Pupil Equalization - NEW	\$0	\$136,000,000		\$136,000,000			\$0	\$0
11r(7)	Federal CRRSA ESSER II Admin Funding - NEW	\$0	\$2,733,000		\$2,733,000			\$0	\$0
11s	Flint Declaration of Emergency	\$8,075,100	\$8,075,100		\$8,075,100			\$8,075,100	\$8,075,100
11s(7)	Flint Early Childhood Collaborative - NEW	\$0	\$0		\$0		\$1,000,000	\$1,000,000	\$1,000,000
11s(8)	Early Childhood Collaborative Enrollment Software and staff - NEW	\$0	\$0		\$0		\$1,384,900	\$1,384,900	\$1,384,900
11t	Federal ESSER Equalization Payment - NEW	\$0	\$0	\$361,983,300	\$361,983,300			\$0	\$0
20f	Categorical Offset Payments	\$18,000,000	\$18,000,000		\$18,000,000			\$18,000,000	\$18,000,000
21h	Partnership Model Districts	\$6,137,400	\$6,137,400		\$6,137,400			\$6,137,400	\$6,137,400
22a	Foundations: Proposal A Obligation Payment	\$4,880,500,000	\$4,880,500,000	(\$44,500,000)	\$4,836,000,000		(\$138,500,000)	\$4,742,000,000	\$4,742,000,000
22b	Foundations: Discretionary Payment	\$4,566,500,000	\$4,566,500,000	(\$8,500,000)	\$4,558,000,000		\$637,500,000	\$5,204,000,000	\$5,204,000,000
22c	Foundations: Equity Payment	\$0	\$0		\$0		\$3,000,000	\$3,000,000	\$3,000,000
22d	Isolated District Funding	\$7,000,000	\$7,000,000		\$7,000,000		\$1,420,000	\$8,420,000	\$8,420,000
22e	Rural Transportation Reimbursement - NEW	\$0	\$0		\$0			\$0	\$0
22g	Inkster Operating Debt - NEW	\$0	\$0		\$0		\$25,500,000	\$25,500,000	\$25,500,000
22m	Technology Regional Data Hubs	\$2,200,000	\$2,200,000		\$2,200,000			\$2,200,000	\$2,200,000
23b	Remediation Services Federal - NEW	\$0	\$152,400,000		\$152,400,000			\$0	\$0
23b	State COVID-19 Remediation Services - NEW	\$0	\$10,000,000		\$10,000,000			\$0	\$0
23c	Federal Summer Program Teacher and Staff Incentives - NEW	\$0	\$21,309,900		\$21,309,900			\$0	\$0
23e	CBO Before/After School Programs - NEW	\$0	\$5,000,000		\$5,000,000			\$0	\$0
24	Court-Placed Pupils	\$7,150,000	\$7,150,000	\$500,000	\$7,650,000		\$500,000	\$7,650,000	\$7,650,000
24a	Juvenile Detention Facility Programs	\$1,355,700	\$1,355,700		\$1,355,700			\$1,355,700	\$1,355,700
25f	Strict Discipline Academy	\$1,600,000	\$1,600,000		\$1,600,000			\$1,600,000	\$1,600,000
25g	Dropout Recovery Programs	\$750,000	\$750,000		\$750,000			\$750,000	\$750,000
25i	Attendance Recovery	\$2,000,000	\$2,000,000		\$2,000,000		\$4,000,000	\$6,000,000	\$6,000,000
25j	Virtual Learning Support Grants	\$2,000,000	\$2,000,000		\$2,000,000		(\$2,000,000)	\$0	\$0
25k	Dropout Prevention Program- NEW	\$0	\$0		\$0			\$0	\$0
26a	Renaissance Zone Reimbursement	\$15,300,000	\$15,300,000		\$15,300,000			\$15,300,000	\$15,300,000
26b	PILT Reimbursement	\$4,645,000	\$4,645,000		\$4,645,000		\$65,000	\$4,710,000	\$4,710,000
26c	Promise Zone Funding	\$9,700,000	\$9,700,000	\$1,600,000	\$11,300,000		\$4,100,000	\$13,800,000	\$13,800,000
26d	Brownfield Redevelopment Reimbursement - NEW	\$0	\$0		\$0		\$7,500,000	\$7,500,000	\$7,500,000
29a	Increasing Enrollment	\$66,000,000	\$66,000,000	(\$16,000,000)	\$50,000,000		(\$66,000,000)	\$0	\$0
29b	Declining Enrollment - NEW	\$0	\$0		\$0			\$0	\$0
31a	At-Risk Pupil Support	\$510,000,000	\$510,000,000		\$510,000,000		\$2,500,000	\$512,500,000	\$512,500,000
31a(7)	School Based Health Centers	\$8,000,000	\$28,000,000		\$28,000,000			\$8,000,000	\$8,000,000
31a(8)	Hearing, Vision, & Dental Screening	\$5,150,000	\$5,150,000		\$5,150,000		\$1,500,000	\$6,650,000	\$6,650,000
31a(16)	At-Risk Pupil Hold Harmless	\$12,000,000	\$12,000,000		\$12,000,000			\$12,000,000	\$12,000,000
31b	Year-Round Instruction Grants - NEW	\$0	\$0		\$0			\$0	\$0
31d	State School Lunch Programs	\$23,144,000	\$23,144,000	\$694,400	\$23,838,400		\$694,400	\$23,838,400	\$23,838,400
31d	Federal School Lunch Programs	\$550,000,000	\$550,000,000	\$365,971,600	\$915,971,600		\$6,000,000	\$556,000,000	\$556,000,000
31f	School Breakfast Program	\$4,500,000	\$4,500,000	\$7,400,000	\$11,900,000		\$7,400,000	\$11,900,000	\$11,900,000
31j	Local Produce in School Meals	\$2,000,000	\$2,000,000		\$2,000,000		\$2,500,000	\$4,500,000	\$4,500,000
31k	School Meal Debt	\$1,000,000	\$1,000,000		\$1,000,000		(\$1,000,000)	\$0	\$0
31n	School Mental Health and Support Services	\$36,900,000	\$36,900,000		\$36,900,000		\$17,000,000	\$53,900,000	\$53,900,000
31o	Wraparound Services - NEW	\$0	\$0		\$0		\$240,000,000	\$240,000,000	\$240,000,000
31p	TRAILS - NEW	\$0	\$0	\$5,400,000	\$5,400,000			\$0	\$0
31y	Year-Round Instruction: 3% Foundation Increase - NEW	\$0	\$0		\$0		\$60,000,000	\$60,000,000	\$60,000,000

LINE ITEM SUMMARY

Sec.	LINE ITEM DESCRIPTION	FY 2020-2021	FY 2020-2021	FY 2020-2021		FY 2021-2022		FY 2021-2022	
		FY 21 PA 165 of 2020 2/11/21 YTD	FY 21 HB 4048 Enacted PA 3 of 2021	HB 4411 Supplemental Changes	FY 21 HB 4411 Enacted PA 48 of 2021	Change from FY 21 2/11/21 YTD	FY 22 HB 4411 Enrolled	Vetoes	FY 22 HB 4411 Enacted PA 48 of 2021
31z	Year-Round Instruction: One-time HVAC/etc. - NEW	\$0	\$0		\$0	\$75,000,000	\$75,000,000		\$75,000,000
32d	Great Start Readiness Program - State	\$249,950,000	\$249,950,000		\$249,950,000	\$47,520,000	\$297,470,000		\$297,470,000
32d	Great Start Readiness Program - Federal - NEW	\$0	\$0		\$0	\$121,000,000	\$121,000,000		\$121,000,000
32p	Early Childhood Block Grants	\$13,400,000	\$13,400,000		\$13,400,000		\$13,400,000		\$13,400,000
34a	Reading Scholarships - GVSU - Federal - NEW	\$0	\$0		\$0	\$155,000,000	\$155,000,000	(\$155,000,000)	\$0
35a(3)	Early Literacy Teacher Coaches	\$31,500,000	\$31,500,000		\$31,500,000		\$31,500,000		\$31,500,000
35a(4)	PD - Literacy Coaches and Classroom Teachers - NEW	\$0	\$0		\$0		\$0		\$0
35a(5)	Early Literacy Added Instructional Time	\$19,900,000	\$19,900,000		\$19,900,000		\$19,900,000		\$19,900,000
35a(7)	Literacy & Math Essentials	\$4,000,000	\$4,000,000		\$4,000,000	\$2,000,000	\$6,000,000		\$6,000,000
35a(8)	Michigan Education Corps	\$2,773,000	\$2,773,000		\$2,773,000	\$727,000	\$3,500,000		\$3,500,000
35a(10)	PD - Literacy Coaches and Classroom Teachers - NEW	\$0	\$0		\$0	\$4,000,000	\$4,000,000		\$4,000,000
35b	Children's Choice	\$250,000	\$250,000		\$250,000		\$250,000		\$250,000
35d	Orton Gilligham Dyslexic Program	\$500,000	\$500,000		\$500,000	\$500,000	\$1,000,000		\$1,000,000
35e	Boys and Girls Club	\$1,000,000	\$1,000,000		\$1,000,000	\$1,000,000	\$2,000,000		\$2,000,000
35f	Chaldean Community Foundation	\$500,000	\$500,000		\$500,000	\$250,000	\$750,000		\$750,000
35g	Out-of-School Learning Opportunities - NEW	\$0	\$0		\$0		\$0		\$0
35g	Innovate Community Libraries - NEW	\$0	\$0		\$0	\$1,000,000	\$1,000,000		\$1,000,000
35h	Jewish Federation - NEW	\$0	\$0		\$0	\$1,700,000	\$1,700,000		\$1,700,000
39a(1)	Federal ESSA Grant Funds	\$749,200,000	\$749,200,000	\$3,100,000	\$752,300,000	\$3,100,000	\$752,300,000		\$752,300,000
39a(2)	Other Federal Funding	\$55,000,000	\$55,000,000	\$22,867,000	\$77,867,000	\$1,500,000	\$56,500,000		\$56,500,000
41	English Language Learner Grants	\$13,000,000	\$13,000,000		\$13,000,000	\$12,200,000	\$25,200,000		\$25,200,000
41a	Mi Alma - Exito Educativo - NEW	\$0	\$0		\$0	\$450,000	\$450,000		\$450,000
51a(1)	Special Education - Federal Reimbursement	\$375,000,000	\$375,000,000	\$81,752,000	\$456,752,000	\$5,000,000	\$380,000,000		\$380,000,000
51a(2)	Special Ed ISD Foundation and Costs	\$307,500,000	\$307,500,000	\$11,500,000	\$319,000,000	\$24,500,000	\$332,000,000		\$332,000,000
51a(3)	Special Ed ISD Hold Harmless Payment	\$1,000,000	\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000
51a(6)	Special Ed Admin Rules Changes	\$2,200,000	\$2,200,000		\$2,200,000		\$2,200,000		\$2,200,000
51a(11)	Special Ed Foundations for Non Sec. 52 to ISDs	\$3,000,000	\$3,000,000	(\$600,000)	\$2,400,000	(\$100,000)	\$2,900,000		\$2,900,000
51c	Special Ed Headlee Obligation (Durant)	\$713,400,000	\$713,400,000	(\$10,900,000)	\$702,500,000	\$20,000,000	\$733,400,000		\$733,400,000
51d	Special Education - Other Federal Grants	\$71,000,000	\$71,000,000	\$12,195,000	\$83,195,000		\$71,000,000		\$71,000,000
51f	Special Education Cost Reimbursement	\$60,207,000	\$60,207,000		\$60,207,000	\$30,000,000	\$90,207,000		\$90,207,000
51g	Remote Learning Library - NEW	\$0	\$0		\$0	\$3,000,000	\$3,000,000		\$3,000,000
51g	Project SEARCH - NEW	\$0	\$0		\$0		\$0		\$0
51h	Kids Kicking Cancer - NEW	\$0	\$0		\$0		\$0		\$0
53a	Special Ed for Court Placed Pupils	\$10,500,000	\$10,500,000		\$10,500,000		\$10,500,000		\$10,500,000
54	Special Ed Michigan School Blind/Deaf	\$1,688,000	\$1,688,000		\$1,688,000		\$1,688,000		\$1,688,000
54b	Special Education Task Force Reforms (MiBLSI)	\$1,600,000	\$1,600,000		\$1,600,000		\$1,600,000		\$1,600,000
54d	Spec. Ed. Task Force - Early On	\$7,150,000	\$7,150,000		\$7,150,000	\$7,000,000	\$14,150,000		\$14,150,000
55	Conductive Learning	\$250,000	\$250,000		\$250,000		\$250,000		\$250,000
56	Special Ed ISD Millage Equalization	\$40,008,100	\$40,008,100		\$40,008,100		\$40,008,100		\$40,008,100
56(7)	Special Ed Millage Incentive - NEW	\$0	\$0		\$0	\$34,200,000	\$34,200,000		\$34,200,000
61a	Career & Tech Ed Programs	\$37,611,300	\$37,611,300		\$37,611,300		\$37,611,300		\$37,611,300
61a(4)	Drive One Academy - NEW	\$0	\$0		\$0		\$0		\$0
61b	Career & Tech Ed Early/Middle College	\$8,000,000	\$8,000,000		\$8,000,000		\$8,000,000		\$8,000,000
61c	CTE Equipment Upgrades - NEW	\$0	\$0		\$0	\$7,500,000	\$7,500,000		\$7,500,000
61d	CTE Incentive Payment	\$5,000,000	\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000
61g	COOR ISD CTE Program - NEW	\$0	\$0		\$0	\$2,500,000	\$2,500,000		\$2,500,000
62	ISD Career & Tech Ed Millage Equalization	\$9,190,000	\$9,190,000		\$9,190,000		\$9,190,000		\$9,190,000
65	Detroit PreCollege Engineering	\$400,000	\$400,000		\$400,000		\$400,000		\$400,000
67	Career and College Readiness Tools	\$3,000,000	\$3,000,000		\$3,000,000		\$3,000,000		\$3,000,000
67a	MITES	\$50,000	\$50,000		\$50,000		\$50,000		\$50,000

SCHOOL AID

LINE ITEM SUMMARY

Sec.		FY 2020-2021	FY 2020-2021	FY 2020-2021		FY 2021-2022		FY 2021-2022	
		FY 21 PA 165 of 2020 2/11/21 YTD	FY 21 HB 4048 Enacted PA 3 of 2021	HB 4411 Supplemental Changes	FY 21 HB 4411 Enacted PA 48 of 2021	Change from FY 21 2/11/21 YTD	FY 22 HB 4411 Enrolled	Vetoes	FY 22 HB 4411 Enacted PA 48 of 2021
67b	Prime - NEW: Senate-Federal Funds	\$0	\$0		\$0	\$6,000,000	\$6,000,000		\$6,000,000
74	School Bus Driver Safety Instruction	\$2,025,000	\$2,025,000		\$2,025,000		\$2,025,000		\$2,025,000
74	School Bus Inspections	\$1,789,500	\$1,789,500		\$1,789,500	(\$8,700)	\$1,780,800		\$1,780,800
78	Transportation Categorical - NEW	\$0	\$0		\$0	\$1,000,000	\$1,000,000	(\$1,000,000)	\$0
81	ISD General Operations Support	\$69,138,000	\$69,138,000		\$69,138,000	\$2,765,600	\$71,903,600		\$71,903,600
94	AP/IB/CLEP Incentive Program	\$1,200,000	\$1,200,000		\$1,200,000		\$1,200,000		\$1,200,000
94a	Center for Educational Performance and Information	\$16,848,900	\$16,848,900		\$16,848,900	\$1,953,600	\$18,802,500		\$18,802,500
94a	Center for Educational Performance and Info - Federal	\$193,500	\$193,500		\$193,500		\$193,500		\$193,500
94b	LAUNCH MI	\$100	\$100		\$100	(\$100)	\$0		\$0
94c	MCERI - NEW	\$0	\$0		\$0		\$0		\$0
94c	K-12 Reporting, Noninstructional Staffing/Spending, & IT Strategy - NEW	\$0	\$0		\$0	\$1,500,000	\$1,500,000		\$1,500,000
94d	Special Education Task Force - NEW	\$0	\$0		\$0	\$1,500,000	\$1,500,000		\$1,500,000
95b	Educator and Administrator Evaluations	\$2,000,000	\$2,000,000		\$2,000,000		\$2,000,000		\$2,000,000
97	School Safety Grants - NEW	\$0	\$0		\$0	\$10,000,000	\$10,000,000		\$10,000,000
97a	Navigate 360 - NEW	\$0	\$0		\$0	\$1,947,000	\$1,947,000		\$1,947,000
98	Michigan Virtual University	\$7,500,000	\$7,500,000		\$7,500,000		\$7,500,000		\$7,500,000
98d	Michigan Learning Channel	\$2,000,000	\$2,000,000		\$2,000,000		\$2,000,000		\$2,000,000
98e	HEROES Tech - NEW	\$0	\$0		\$0		\$0		\$0
99h	FIRST Robotics	\$4,700,000	\$4,700,000		\$4,700,000	\$623,200	\$5,323,200		\$5,323,200
99i	Women in Technology	\$150,000	\$150,000		\$150,000		\$150,000		\$150,000
99s(4)	MiSTEM Council and Grants	\$3,050,000	\$3,050,000		\$3,050,000		\$3,050,000		\$3,050,000
99s(5)	MiSTEM Grants - Math and Science Centers - Federal	\$235,000	\$235,000		\$235,000		\$235,000		\$235,000
99s(5)(7)	MiSTEM Centers Transition	\$4,584,300	\$4,584,300		\$4,584,300		\$4,584,300		\$4,584,300
99s(12)	MiSTEM Executive Director	\$300,000	\$300,000		\$300,000		\$300,000		\$300,000
99t	Algebra Nation	\$1,000,000	\$1,000,000		\$1,000,000	\$1,000,000	\$2,000,000		\$2,000,000
99u	Imagine Learning	\$1,500,000	\$1,500,000		\$1,500,000	\$4,500,000	\$6,000,000		\$6,000,000
99w	Michigan Fitness Foundation	\$400,000	\$400,000		\$400,000		\$400,000		\$400,000
99x	Teach for America	\$1,000,000	\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000
99z	Teacher Retention Stipend	\$5,000,000	\$5,000,000		\$5,000,000	(\$5,000,000)	\$0		\$0
99aa	Project SEARCH - NEW	\$0	\$0		\$0	\$1,500,000	\$1,500,000		\$1,500,000
99bb	YMCA Youth In Government - NEW	\$0	\$0		\$0	\$3,750,000	\$3,750,000		\$3,750,000
104	Education Assessments - State	\$31,009,400	\$31,009,400		\$31,009,400	(\$1,500,000)	\$29,509,400		\$29,509,400
104	Education Assessments - Federal	\$6,250,000	\$6,250,000		\$6,250,000		\$6,250,000		\$6,250,000
104(16)	Return to Learn Study	\$150,000	\$150,000		\$150,000	(\$150,000)	\$0		\$0
104a	Federal Benchmark Assessments for 2021-22 School Year - NEW	\$0	\$7,521,300		\$7,521,300		\$0		\$0
104a	State Benchmark Assessments for 2021-22 School Year - NEW	\$0	\$4,197,900		\$4,197,900		\$0		\$0
104f	Digital Literacy Training	\$500,000	\$500,000		\$500,000		\$500,000		\$500,000
104h	Benchmark Assessments for 2022-23 School Year - NEW	\$0	\$0		\$0	\$11,500,000	\$11,500,000		\$11,500,000
107	Adult Education	\$30,500,000	\$30,500,000		\$30,500,000		\$30,500,000		\$30,500,000
147a(1)	MPERS Cost Offset	\$100,000,000	\$100,000,000		\$100,000,000		\$100,000,000		\$100,000,000
147a(2)	MPERS Normal Cost Offset for Lower AROR/Dedicated Gains	\$155,206,000	\$155,206,000	\$35,294,000	\$190,500,000	\$22,254,000	\$177,460,000		\$177,460,000
147c	MPERS State Share of Unfunded Liability Payments	\$1,219,800,000	\$1,219,800,000		\$1,219,800,000	\$249,200,000	\$1,469,000,000		\$1,469,000,000
147e	MPERS Added Normal/DC Costs for PA 92 of 2017	\$51,400,000	\$51,400,000	(\$17,600,000)	\$33,800,000	\$13,900,000	\$65,300,000		\$65,300,000
152a	Adair - Database Payment	\$38,000,500	\$38,000,500		\$38,000,500		\$38,000,500		\$38,000,500
152b	Nonpublic School Reimbursement	\$0	\$0		\$0	\$1,000,000	\$1,000,000		\$1,000,000
167c	Drowning Prevention Education - NEW	\$0	\$0		\$0		\$0		\$0
	TOTAL APPROPRIATIONS	\$15,525,164,800	\$16,534,326,900	\$811,838,100	\$17,346,165,000	\$1,608,945,900	\$17,134,110,700	(\$156,000,000)	\$16,978,110,700

SCHOOL AID

LINE ITEM SUMMARY

	FY 2020-2021	FY 2020-2021	FY 2020-2021		FY 2021-2022		FY 2021-2022	
	FY 21 PA 165 of 2020 2/11/21 YTD	FY 21 HB 4048 Enacted PA 3 of 2021	HB 4411 Supplemental Changes	FY 21 HB 4411 Enacted PA 48 of 2021	Change from FY 21 2/11/21 YTD	FY 22 HB 4411 Enrolled	Vetoed	FY 22 HB 4411 Enacted PA 48 of 2021
REVENUE BY SOURCE								
Federal Aid	\$1,806,878,500	\$2,645,842,700	\$850,249,700	\$3,496,092,400	\$372,600,000	\$2,179,478,500	(\$155,000,000)	\$2,024,478,500
School Aid Fund	\$13,589,621,600	\$13,759,819,500	(\$44,011,600)	\$13,715,807,900	\$1,207,610,500	\$14,797,232,100	(\$1,000,000)	\$14,796,232,100
MPSERS Retirement Obligation Reform Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Community District Trust Fund/Other Restricted Fund	\$77,700,100	\$77,700,100	\$2,100,000	\$79,800,100	(\$5,700,000)	\$72,000,100	\$0	\$72,000,100
General Fund/General Purpose	\$50,964,600	\$50,964,600	\$3,500,000	\$54,464,600	\$34,435,400	\$85,400,000	\$0	\$85,400,000
TOTAL REVENUE	\$15,525,164,800	\$16,534,326,900	\$811,838,100	\$17,346,165,000	\$1,608,945,900	\$17,134,110,700	(\$156,000,000)	\$16,978,110,700

DEPARTMENT OF STATE POLICE
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 12)

Analyst: Marcus Coffin

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
	\$24,649,600	\$24,816,300	\$166,700	0.7
Federal	147,037,800	125,953,100	(21,084,700)	(14.3)
Local	4,841,200	4,832,700	(8,500)	(0.2)
Private	1,735,000	35,000	(1,700,000)	(98.0)
Restricted	148,879,300	145,998,100	(2,881,200)	(1.9)
GF/GP	439,376,600	527,822,500	88,445,900	20.1
Gross	\$766,519,500	\$829,457,700	\$62,938,200	8.2
FTEs	3,599.0	3,695.0	96.0	2.7

Notes:

(1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.

(2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The Michigan Department of State Police (MSP) is the state's primary law enforcement and emergency response authority. The department is responsible for criminal law enforcement and investigation, traffic and motor carrier safety, and homeland security. The department is also responsible for the administration and implementation of various state programs, technologies, and specialized services intended to enhance the capabilities and coordination of federal, state, and local law enforcement agencies, the criminal justice system, and the entire public safety community.

Major Budget Changes from FY 2020-21 YTD Appropriations**1. Public Safety Payroll – Fund Shift**

Restores \$45.5 million GF/GP that was reduced from the FY 2020-21 budget and replaced with federal Coronavirus Relief Fund revenue. Federal funding was allocated to support payroll costs during the COVID-19 pandemic. Federal funding has been exhausted and GF/GP needs to be restored for ongoing departmental payroll costs.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Gross	\$45,500,000	\$0
Federal	45,500,000	(45,500,000)
GF/GP	\$0	\$45,500,000

2. Emergency and Disaster Response and Mitigation

Includes \$45.0 million in federal funding authorization to allow for the expenditure of federal funding that may be received for responding to disasters and emergencies.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Gross	NA	\$45,000,000
Federal	NA	45,000,000
GF/GP	NA	\$0

3. Lawsuit Settlement (One-Time)

Includes \$8.5 million in one-time GF/GP funding for the required payment of lawsuit settlements.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Gross	NA	\$8,500,000
GF/GP	NA	\$8,500,000

4. FY 2020-21 Trooper Recruit School Annualization

Includes \$4.9 million GF/GP to support departmental expenses incurred for troopers that are graduating from trooper recruit school during FY 2020-21. Costs include fleet leasing, IT support, salaries, and benefits.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Gross	NA	\$4,914,100
GF/GP	NA	\$4,914,100

5. FY 2021-22 Trooper Recruit School (One-Time)

Includes \$4.9 million in one-time GF/GP funding to support costs associated with the FY 2021-22 trooper recruit school, which is projected to graduate 50 troopers. Costs that will be covered by this funding include training and trooper outfitting.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Gross	NA	\$4,885,500
GF/GP	NA	\$4,885,500

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
6. Professional Development Bureau	FTE	NA	22.0
Includes \$4.5 million GF/GP to support the MSP Professional Development Bureau, which will oversee training and professional development on topics which include mental health, de-escalation, cultural competency, and communication.	Gross	NA	\$4,500,000
	GF/GP	NA	\$4,500,000
7. Michigan Joint Task Force on Jail and Pretrial Incarceration (One-Time)	Gross	\$4,200,000	(\$4,200,000)
Removes one-time funding for implementing the task force's recommendations regarding behavioral health crisis response training and services/support for crime victims (recommendations 7 and 17). Funding was utilized to develop and deliver training to law enforcement officers, jail officers, and dispatch personnel.	GF/GP	\$4,200,000	(\$4,200,000)
8. Body Worn Cameras	FTE	NA	17.0
Includes \$3.8 million GF/GP and authorization for 17.0 FTE positions to implement and administer a body-worn camera program for enlisted personnel. Appropriation will support purchases of camera hardware, as well as costs related to processing body-worn camera data and related FOIA requests.	Gross	NA	\$3,800,000
	GF/GP	NA	\$3,800,000
9. Post Operations Increase	Gross	NA	\$2,800,000
Includes \$2.8 million GF/GP for increased levels of contractual services that MSP provides for executive security.	GF/GP	NA	\$2,800,000
10. FY 2021-22 Trooper Recruit School	FTE	NA	50.0
Includes \$2.8 million GF/GP and authorization for 50.0 FTE positions to support various costs associated with an FY 2021-22 trooper recruit school, which is projected to graduate 50 troopers. Costs include salaries, training materials, patrol cars, and trooper outfitting.	Gross	NA	\$2,793,300
	GF/GP	NA	\$2,793,300
11. Breathalyzer Replacements (One-Time)	Gross	NA	\$2,500,000
Includes \$2.5 million in one-time GF/GP funding to replace all current breathalyzer units, which are at the end of their operational lifecycle. Funding will allow MSP to replace 225 current breathalyzer units and to purchase an additional 25 reserve units, which will limit service interruptions in the event of equipment failure or operational changes.	GF/GP	NA	\$2,500,000
12. Secondary Road Patrol Program (One-Time)	FTE	1.0	0.0
Includes an additional \$2.0 million GF/GP for the SRP program, which provides grants to county sheriff's departments for patrolling secondary roads.	Gross	\$13,074,300	\$2,000,000
	Restricted	11,074,300	0
	GF/GP	\$2,000,000	\$2,000,000
13. Clean Slate for Michigan	FTE	NA	5.0
Includes \$1.3 million GF/GP and authorization for 5.0 FTE positions for maintenance and activities related to an automated system for the expungement of criminal records. Expungements are occurring due to legislation enacted in 2020 (2020 PAs 187-193). Funding will be used to support 3 positions within the Criminal Justice Information Center to process manual expungements and to cover maintenance costs associated with the systems, and 2 positions for biometric-related activities necessary to support the expungements.	Gross	NA	\$1,250,000
	GF/GP	NA	\$1,250,000
14. De-escalation Training	Gross	NA	\$500,000
Includes \$500,000 GF/GP to provide de-escalation training to law enforcement officers.	GF/GP	NA	\$500,000

STATE POLICE

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change	
15. MCOLES Information and Tracking Network Contract Increase		Gross	NA	\$358,000
Includes a \$358,000 increase in state restricted authorization from the Marihuana Regulatory Fund (medical) to offset contractual cost increases for system maintenance and support for the MCOLES Information and Tracking Network (MITN). The MITN is a central system that allows law enforcement agencies, academies, and training providers to fulfill statutory reporting requirements.		Restricted	NA	358,000
		GF/GP	NA	\$0
16. MCOLES Staffing Enhancement		FTE	17.0	2.0
Includes \$306,500 in state restricted authorization from the Marihuana Regulatory Fund (medical) and authorization for 2.0 FTE positions to allow MCOLES to hire 2 additional employees to work on law enforcement training, licensure, and investigations.		Gross	\$8,536,900	\$306,500
		Federal	250,000	0
		Restricted	7,970,400	306,500
		GF/GP	\$316,500	\$0
17. Michigan International Speedway Traffic Control (One-Time)		Gross	NA	\$300,000
Includes \$300,000 GF/GP for traffic control services that MSP provides to Michigan International Speedway.		GF/GP	NA	\$300,000
18. Michigan Public Safety Communications System Leases		Gross	NA	(\$157,500)
Includes a \$157,500 GF/GP decrease to reflect the consolidation of funding for the Michigan Public Safety Communications System within the Department of Technology, Management and Budget. Funding reflects rent obligations on 5 radio facilities that were funded through the MSP budget that will now be within the DTMB budget.		GF/GP	NA	(\$157,500)
19. Public Safety Officers Benefit Program Restructure		FTE	1.0	0.0
Includes a net-zero restructure of the Public Safety Officers Benefit Program by appropriating funds to a Public Safety Officers Benefit Fund line item instead of to the program line item. Boilerplate is included directing the GF/GP appropriation to be deposited to the restricted fund. This will allow for a fund balance to accrue and will provide flexibility for the payment of future program benefits. Authorization for 1.0 FTE position is transferred to the Standards and Training line item.		Gross	\$302,800	\$0
		GF/GP	\$302,800	\$0
20. Removal of FY 2020-21 One-Time Appropriation		Gross	\$3,509,100	(\$3,509,100)
Removes \$3.5 million in one-time GF/GP funding that was included in the FY 2020-21 budget to support two 60-person attrition schools, for a projected total of 120 graduates.		GF/GP	\$3,509,100	(\$3,509,100)
21. Removal of FY 2020-21 Boilerplate Appropriations		Gross	\$28,434,000	(\$28,434,000)
Removes FY 2020-21 federal, private, and state restricted appropriations authorized in boilerplate. Federal funding that was received included disaster assistance funds from the Department of Homeland Security and National Telecommunications and Information Administration grants from the Department of Transportation. The state restricted appropriation was for funding from the Disaster and Emergency Contingency Fund used to cover costs associated with flooding in the Upper Peninsula in 2018. The private appropriation was for donations the state received to support COVID-19 response efforts.		Federal	22,934,000	(22,934,000)
		Private	1,700,000	(1,700,000)
		Restricted	3,800,000	(3,800,000)
		GF/GP	\$0	\$0

Major Budget Changes from FY 2020-21 YTD Appropriations	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
22. Technical Adjustments	Gross	NA
Includes numerous adjustments to various fund sources (federal, IDG/IDT, and state restricted) to align expenditures and revenues and includes numerous internal transfers to align funding and FTE authorization with department activity. Changes include, but are not limited to, the following (transfers are all internal and net-zero, unless otherwise noted):	IDG/IDT	NA
	Federal	NA
	Restricted	NA
	GF/GP	NA
		\$2,102,200
		64,600
		2,333,900
		(296,300)
		\$0

- Transfers \$1 million Gross and 3.0 FTE positions from the Grants and Community Services line item to the Office of School Safety line item.
- Transfers \$1 million in federal authorization for Special Traffic Enforcement Program Grants from the Grants and Community Services line item to the Post Operations line item.
- Transfers \$780,300 Gross and 6.0 FTE positions from the Post Operations line item to the Intelligence Operations line item for narcotics investigations.
- Transfers \$458,200 Gross and 3.0 FTE positions from the Investigative Services line item to the Intelligence Operations line item to coordinate the Missing Persons Unit.
- Transfers a total of \$423,300 Gross and 1.0 FTE position from the Department Services, Criminal Justice Information Center, and Intelligence Operations line items to the Mobile Office and System Support line.

23. Economic Adjustments	Gross	NA	\$12,729,200
Reflects increased costs of \$12.7 million Gross (\$12.1 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), overtime increases, increased longevity, higher actuarially required retirement contributions, increases in other employee retirement costs, increased fuel and utility costs, decreases in worker's compensation, and decreases in building occupancy charges, and other economic adjustments.	IDG/IDT	NA	102,100
	Federal	NA	15,400
	Local	NA	(8,500)
	Restricted	NA	550,600
	GF/GP	NA	\$12,069,600

Major Boilerplate Changes from FY 2020-21

Sec. 216. FTE Vacancies and Remote Work Report – REVISED

Requires MSP to submit a quarterly report on FTE staffing and a semiannual report on remote work and associated metrics. Revised the reporting frequency of the remote work report to annually by March 1.

Sec. 221. Severance Pay Report – NEW

Requires MSP to report the name and any amount of severance pay given to any high-ranking department official; requires MSP to maintain an internet site that posts any severance pay in excess of 6 weeks of wages for a former employee of any rank; requires MSP to report on the total amount of severance pay remitted to former employees during the prior fiscal year and the total number of those employees; defines "severance pay".

Sec. 222. Prohibition on COVID-19 Vaccine Status Verifications – NEW

Prohibits state entities receiving funding from requiring proof of COVID-19 vaccination as a condition of accessing any state services or facilities, producing COVID-19 vaccine passports, developing or making a database accessible with individuals' COVID-19 vaccination status, requiring proof of COVID-19 vaccination as a condition of employment, and taking any negative employment action due to an individual's COVID-19 vaccination status; requires exceptions be provided if federal policy requires the creation of a COVID-19 vaccine policy.

Sec. 225. Post Closure or Consolidation – RETAINED (UNENFORCEABLE)

Requires MSP to notify listed recipients not less than 90 days before recommending closure or consolidation of any MSP post and to include a state impact study. *(Governor's signing letter states this section is unenforceable.)*

STATE POLICE

Major Boilerplate Changes from FY 2020-21

Sec. 226. Privatization Project Plans – RETAINED (UNENFORCEABLE)

Requires submission of a project plan 90 days before beginning any effort to privatize and requires evaluation of the plan within 30 months. *(Governor's signing letter states this section is unenforceable.)*

Sec. 233. Officer Evaluation Criteria – RETAINED (UNENFORCEABLE)

Prohibits use of citation volumes as a metric for performance evaluation and prohibits setting of a specified number of citations for an officer. *(Governor's signing letter states this section is unenforceable.)*

Sec. 234. Payment of Court Judgements – RETAINED (UNENFORCEABLE)

Requires MSP to report tentative plans for required payment of court judgements against the department and stipulates required information. *(Governor's signing letter states this section is unenforceable.)*

Sec. 234. Coronavirus Relief Funds Reappropriation – DELETED

Reappropriates CRF funds that are unexpended on December 30 for deposit into the Unemployment Compensation Fund to support COVID-19 emergency costs.

Sec. 235. Age-Appropriate Education Advisory Coordination – NEW

Requires MSP to collaborate with MDHHS and MDE to advise on initiatives for educator training for the utilization of trauma-informed practices, education on human trafficking, and education on sexual abuse prevention.

Sec. 402. Criminal Justice Information Center – REVISED

Requires MSP to: (1) maintain criminal justice information systems in support of public safety and law enforcement communities; (2) conduct at least 30 outreach activities targeted to criminal justice agencies and to report on these activities; (3) compile crime statistics; (4) compile and evaluate traffic crash reports; (5) provide traffic crash reports for \$10 per incident or an extract of electronic traffic crash data for \$0.25 per incident; (6) maintain, disseminate, and exchange criminal history and juvenile records; (7) maintain firearms licensure records; (8) report revenues from and expenditures for concealed pistol licensure; (9) provide volumes processed by the Internet Criminal History Access Tool. (10) Requires that revenues to the Criminal Justice Information Center Service Fees carry forward and not lapse to the general fund. (11) Requires unexpended revenue generated by local State Records Management System Fees carry forward and not lapse to the general fund. Revised to include a report on revenues, expenditures, and volumes related to traffic crash reports.

Sec. 403. Forensic Science – REVISED

Requires MSP to provide forensic testing and DNA analysis services to aid in criminal investigations and to maintain accreditation of laboratories; stipulates turnaround times for forensic science services; requires MSP to provide data on turnaround times, staffing levels, and backlogged cases. Revised to replace a benchmark year with a 5-year average.

Sec. 404. Biometrics and Identification – REVISED

Requires MSP to manage specified identification databases and provide data on submissions to the Automated Fingerprint Identification System database; requires MSP to maintain staffing and resources to achieve an average 28-day wait time for polygraph examinations, with a goal of an average 15-day wait time; requires MSP to post changes to protocols for retention and purging of DNA records. Revised to make a technical correction, remove a goal for electronic submissions of prints, and replace a benchmark year with a 5-year average.

Sec. 502. Public Safety Officers Benefit Fund – NEW

Requires that GF/GP appropriated for the Public Safety Officers Benefit Fund be deposited to the Public Safety Officers Benefit Fund and appropriates all funds within the Public Safety Officers Benefit Fund.

Sec. 601. General Law Enforcement and Traffic Safety – RETAINED (PARTIALLY UNENFORCEABLE)

(1) Stipulates MSP troopers shall not be prohibited from responding to criminal or emergency situations and shall make every effort to protect residents; (2) requires MSP to maintain staff and resources to enhance traffic safety and dedicate a minimum of 455,200 hours to statewide patrol, with a minimum of 40,000 in distressed cities; (3) requires MSP to report the number of residence checks of registered sex offenders; (4) requires report on Secure Cities Partnership. *(Governor's signing letter states item (2) is unenforceable.)*

Major Boilerplate Changes from FY 2020-21**Sec. 602. Criminal Investigations – REVISED (PARTIALLY UNENFORCEABLE)**

(1) Requires MSP to identify and apprehend criminals through investigations; (2) requires maintenance of a specified number of investigation hours; (3) requires MSP to meet or exceed a case clearance rate of 62%; (4) requires MSP to provide four training opportunities to local law enforcement partners related to gambling or opioid investigations; (5) requires MSP to increase opioid-related investigations by 20% and work toward enhancing drug-interdiction efforts. Revised to delete the specific benchmark for number of training opportunities that must be provided to local law enforcement in item (2) and to replace the benchmark year in item (5) with a 5-year average. *(Governor's signing letter states items (2) through (5) are unenforceable.)*

Sec. 603. Tobacco Tax Fraud Investigations – RETAINED (PARTIALLY UNENFORCEABLE)

(1) Requires MSP to provide prevention and suppression of organized untaxed tobacco smuggling; (2) requires submission of report pertaining to tobacco tax enforcement activities and expenditures; (3) requires MSP to dedicate a minimum of 16,600 hours to tobacco tax enforcement. *(Governor's signing letter states item (3) is unenforceable.)*

Sec. 604. Fire Investigations – REVISED (PARTIALLY UNENFORCEABLE)

(1) Requires MSP to provide fire investigation training and assistance; (2) requires MSP to maintain readiness for a specified number of requests for fire investigation services. Revised item (2) to replace the benchmark year with a 5-year average. *(Governor's signing letter states item (2) is unenforceable.)*

Sec. 701. Intelligence and Special Operations – REVISED (PARTIALLY UNENFORCEABLE)

(1) Requires MSP to operate Michigan Intelligence Operations Center for Homeland Security (MIOC); (2) requires MSP to provide timely and accurate information to partners and to increase public awareness on how to report suspicious activity; (3) requires MSP to operate Cyber Section and to increase completion of computer crimes cases; (4) requires MSP to provide digital forensic analysis and states case turnaround goal. Revised item (3) to replace the benchmark year with a 5-year average. *(Governor's signing letter states items (3) and (4) are unenforceable.)*

Sec. 702. Specialized Support Teams – REVISED (PARTIALLY UNENFORCEABLE)

(1) Requires MSP to provide for specialized support services; (2) requires MSP to maintain staffing and resources to provide training and maintain readiness to respond to at least the number of specialty service requests received in FY 2010-11; (3) requires canine unit to be available for call out 100% of the time; (4) requires bomb squad unit to be available for call out 100% of the time; (5) requires emergency support teams to be available for call out 100% of the time; (6) requires marine services team to be available for call out 100% of the time; (7) requires aviation services to be available for call out 100% of the time, unless prohibited by weather or mechanical breakdown; (8) requires maintenance of adequate levels of staffing and resources to provide security services at state Capitol Building and surrounding buildings, and requires a minimum of 35,000 patrols at state-owned and leased facilities. Revised item (2) to replace the benchmark year with a 5-year average. *(Governor's signing letter states items (2) through (8) are unenforceable.)*

Sec. 704. Emergency Management and Homeland Security – RETAINED (PARTIALLY UNENFORCEABLE)

(1) Requires MSP to coordinate emergency and disaster response activities of governmental units. (2) Authorizes expenditure of appropriated funds to call upon state agencies or departments to protect life or property or to protect health or safety of any area under a state of emergency or disaster; requires report to state budget director and submission of recommendations to the legislature for supplemental appropriations. (3) Authorizes MSP to expend additional funds from various sources to provide emergency management training or emergency response activities and requires notification of the legislature; limits federal receive and expend authorization under Sec. 704(3) and Sec. 230 to \$45.0 million and state restricted receive and expend authorization under Sec. 704(3) and Sec. 704(7) to \$15.0 million. (4) Requires MSP to maintain partnerships to protect the state from all hazards. (5) Requires MSP to maintain staffing and resources to serve local emergency management preparedness programs and local emergency planning committees, operate and maintain the State Emergency Operations Center, respond to civil disorders and natural disasters at a specified level, and perform hazardous materials response training. (6) Requires MSP to conduct a minimum of three training sessions to enhance emergency response. (7) Appropriates amounts necessary from Disaster and Emergency Contingency Fund (DECF) to cover costs related to disasters and emergencies; limits appropriations under Sec. 704(7) and receive and expend authorization under Sec. 704(3) to \$15.0 million. (8) Requires state budget director approval and legislative notification for expenditures from the DECF and requires reports on expenditures. (9) Authorizes MSP to expend funds from any line item in order to respond to an emergency or disaster, with the approval of the state budget director and legislative notification. (10) Requires MSP to report biannually on assessment of critical infrastructure vulnerabilities. *(Governor's signing letter states item (9) is unenforceable.)*

Sec. 801. Federal Emergency and Disaster Response and Mitigation Authorization – NEW

Appropriates up to \$300,000,000 of federal authorization for emergency and disaster response and mitigation; authorizes expenditure of funds after legislative transfer to specific line items.

STATE POLICE

Major Boilerplate Changes from FY 2020-21

Sec. 801. Michigan Joint Task Force on Jail and Pretrial Incarceration – DELETED

Requires appropriated funds to be used only for development and delivery of training on behavioral health and victim services, in accordance with task force recommendations; provides unexpended funds with work project status and provides necessary information.

Sec. 802. Secondary Road Patrol Program – Supplemental Support – NEW

Requires funds appropriated for Secondary Road Patrol Program – Supplemental Support to be distributed proportionately, according to the existing distribution formula, to compensate for revenue loss due to the COVID-19 pandemic.

Sec. 803. Michigan International Speedway Traffic Control – NEW

Allocates \$300,000 from the Contracts and Services line item for the provision of traffic control support at MIS.

Sec. 1001. FY 2021-22 Appropriation – DELETED

Expresses legislative intent that FY 2021-22 appropriations are anticipated to be the same as FY 2020-21 appropriations, except adjustments for changes in caseloads, federal fund match rates, economic factors, and available revenue.

FY 2020-21 Supplemental Appropriation Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

		Appropriation Change
1. Operation Vigilance		Gross \$1,750,000
Authorizes the receipt of \$1.8 million in private donations to be used to support Operation Vigilance. The project will establish a secure data sharing system between law enforcement agencies to track and retrieve evidentiary data including images, videos, audio, and documents related to child trafficking and sexual exploitation. The goal of the project is to further protect children and teenagers from falling victim to online exploitation.	Private	1,750,000
	GF/GP	\$0
2. Secondary Road Patrol Program		Gross \$0
Includes \$2.7 million GF/GP and reduces federal authorization by a like amount. Federal funding was appropriated in 2021 PA 67 to support the Secondary Road Program, which provides grants to county sheriff's department for the patrol of secondary roads. The federal funding is not authorized for use to cover program costs, so GF/GP is needed to support program costs.	Federal	(2,700,000)
	GF/GP	\$2,700,000
3. Clean Slate for Michigan		Gross \$19,000,000
Authorizes the receipt of \$19.0 million in revenue available from the Michigan Set-Aside Fund to support the coordinated development of criminal record expungement systems in the Departments of Attorney General, Corrections, and State Police and the Judiciary in accordance with Public Acts 187-193 of 2020. The Department of State Police is the coordinating agency and will maintain all authorization in support of one-time information technology costs related to systems development.	Restricted	19,000,000
	GF/GP	\$0
4. Contractual Services for Post Operations		Gross \$2,400,000
Includes \$2.4 million GF/GP to support an increase in contractual services.	GF/GP	\$2,400,000
5. Emergency Management Performance Grants		Gross \$2,556,000
Includes \$2.6 million in available federal Emergency Management Performance Grant revenue which will be used to support state and local coordination, communication, and logistical support in response to the COVID-19 pandemic.	Federal	2,556,000
	GF/GP	\$0

FY 2020-21 Supplemental Boilerplate Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

Sec. 901. COVID-19 Emergency Management Performance Grants

Designates appropriation for COVID-19 Emergency Management Performance Grants as a work project appropriation; specifies that the purpose of the appropriation is to support state and local coordination, communication, and logistical support in response to the COVID-19 pandemic.

Sec. 902. Clean Slate for Michigan

Designates appropriation for Clean Slate for Michigan as a work project appropriation; specifies that the purpose of the appropriation is to support development and maintenance of various automated criminal record expungement systems.

Sec. 903. Contracts and Services

Designates appropriation for Contracts and Services as a work project appropriation; specifies that the purpose of the appropriation is to provide support for programs and projects in the Department of State Police.

Sec. 904. Intelligence Operations

Designates appropriation for Intelligence Operations as a work project appropriation; specifies that the purpose of the appropriation is to support a private donation in support of Operation Vigilance.

TRANSPORTATION

DEPARTMENT OF TRANSPORTATION
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 13)

Analyst: William E. Hamilton

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
IDG/IDT	\$4,063,100	\$4,044,800	(\$18,300)	(0.5)
Federal	1,424,196,100	1,448,519,000	24,322,900	1.7
Local	80,782,000	80,782,000	0	0.0
Private	900,000	900,000	0	0.0
Restricted	3,597,529,400	3,702,373,400	104,844,000	2.9
GF/GP	0	0	0	--
Gross	\$5,107,470,600	\$5,236,619,200	\$129,148,600	2.5
FTEs	2,824.3	2,942.3	118.0	4.2

Notes:

- (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.
- (2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

Overview

The state transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Historically, two-thirds of the revenue in this budget has come from state restricted revenue, with approximately one-third from federal sources. Most of the state-restricted revenue in this budget is constitutionally restricted – from motor fuel taxes and vehicle registration taxes – and is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 (Act 51) to other state transportation funds and programs, including the State Trunkline Fund (STF), the Comprehensive Transportation Fund (CTF), and local road agencies (county road commissions and cities/villages). Revenue from aviation fuel and registration taxes, as well as a portion of Airport Parking Tax revenue, is credited to the State Aeronautics Fund for aeronautics programs.

Major Budget Changes from FY 2020-21 YTD Appropriations

1. State Trunkline Road and Bridge Construction

Appropriations for the state trunkline capital construction program totals \$1.3 billion, a net increase of \$1.5 million. An anticipated increase in available federal aid is partially offset by a decrease of \$24.3 million in available STF revenue; STF revenue reflects the STF share of estimated MTF revenue from motor fuel and vehicle registration taxes, as well as the STF share of \$600.0 million earmarked for road and bridge programs in the Income Tax Act. Available STF revenue for this program is net of other uses of STF revenue, including debt service and increased state trunkline maintenance costs. The reduction in restricted revenue also reflects a \$3.0 million reduction in the appropriation of Blue Water Bridge Fund revenue for Blue Water Bridge capital projects, from \$7.1 million to \$4.1 million.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Gross	\$1,327,133,800	\$1,511,200
Federal	822,327,100	28,921,700
Local	30,003,500	0
Restricted	474,803,200	(27,410,500)
GF/GP	\$0	\$0

TRANSPORTATION

Major Budget Changes from FY 2020-21 YTD Appropriations

2. State Trunkline Maintenance

Includes \$425.9 million STF for state trunkline routine maintenance, a baseline increase of \$10.5 million, exclusive of position transfers and economics. Specific increases include: \$3.5 million for an additional 76.0 FTE positions in permanent direct state maintenance forces and reducing use of temporary winter maintenance employees accordingly; \$2.9 million and 42.0 FTE positions to reestablish direct maintenance forces in Monroe County; and \$4.1 million to reflect increased costs of maintenance materials.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
FTE	760.7	114.0
Gross	\$415,521,900	\$10,508,800
Restricted	415,521,900	10,508,800
GF/GP	\$0	\$0

3. MTF to Local Road Agencies

Enacted budget reflects the estimated MTF distribution to local road agencies (county road commissions, and cities and villages) of \$1.8 billion, \$52.8 million more than FY 2020-21. This reflects the Act 51 distribution of estimated MTF revenue from motor fuel and vehicle registration taxes as well as local road agency share of \$600.0 million earmarked for road and bridge programs in the Income Tax Act.

Gross	\$1,770,488,600	\$52,841,100
Restricted	1,770,488,600	52,841,100
GF/GP	\$0	\$0

4. Local Bridge Program

Includes \$27.8 million for the local bridge program, a program that receives funding from an Act 51 earmark of MTF revenue equal to one-half cent of the motor fuel tax on gasoline. The \$812,500 increase reflects an increase in estimated gasoline tax revenue as compared to the estimate used to develop the FY 2020-21 budget. Although not specifically recognized in the budget, the program is also allocated a share of local federal aid.

Gross	\$27,000,100	\$812,500
Restricted	27,000,100	812,500
GF/GP	\$0	\$0

5. Debt Service

Includes \$253.6 million for debt service on previously issued bonds – bonds issued under a pledge of state restricted revenue or in anticipation of federal grants. The appropriation reflects anticipated debt service schedules. Increased STF debt service is offset, in part, by a reduction in debt service on bonds issued using a pledge of federal revenue.

Gross	\$215,096,300	\$38,547,300
Federal	55,180,900	(4,598,800)
Restricted	159,915,400	43,146,100
GF/GP	\$0	\$0

6. Transportation Economic Development Fund (TEDF)

Includes \$41.6 million for the TEDF program, an increase of \$12.8 million. The increase primarily reflects the restoration of \$13.0 million to the TEDF/Target Industries categorical program. The FY 2020-21 budget had redirected \$13.0 million in driver's license fee revenue from the TEDF to the state General Fund. The TEDF program is a targeted program established and governed by statute, 1987 PA 231.

Gross	\$28,794,500	\$12,807,400
Restricted	28,794,500	12,807,400
GF/GP	\$0	\$0

7. Local Bus Transit

Includes \$196.8 million CTF for state operating assistance to local transit systems, an increase of \$3.0 million. The increase restores the \$3.0 million CTF reduction in FY 2020-21 that had been part of an agreement to shift \$18.0 million in auto-related sales tax from the CTF to cover a deficit in the Transportation Administration Collection Fund in the Department of State budget. [See Senate Bill 256.]

Gross	\$193,750,000	\$3,000,000
Restricted	193,750,000	3,000,000
GF/GP	\$0	\$0

8. Service Initiatives

Includes a baseline increase of \$2.8 million CTF for this targeted transit line item.

Gross	\$8,475,100	\$2,829,300
Federal	1,650,000	0
Local	325,000	0
Restricted	6,500,100	2,829,300
GF/GP	\$0	\$0

9. Van Pooling

Includes a baseline increase of \$45,000 CTF for this targeted transit line item.

Gross	\$150,000	\$45,000
Restricted	150,000	45,000
GF/GP	\$0	\$0

TRANSPORTATION

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change	
10. Detroit/Wayne County Port Authority		Gross	\$400,000	\$100,000
Increases DWCPA operating support by \$100,000 CTF for a total of \$500,000 CTF.		Restricted	400,000	0
		GF/GP	\$0	\$100,000
11. Rail Operations and Infrastructure		Gross	\$98,738,000	\$5,618,200
Includes \$104.4 million for state rail programs including capital and operating support for rail passenger service in Michigan as well as rail freight and rail economic development programs, an increase of \$5.6 million CTF. Increased CTF support reflects estimated increase in available CTF revenue.		Federal	20,000,000	0
		Local	100,000	0
		Private	100,000	0
		Restricted	78,538,000	5,618,200
		GF/GP	\$0	\$0
12. Intercity Services		Gross	\$7,260,000	\$800,000
Increases CTF support by \$800,000 for program that supports intercity bus service in Michigan. Increased CTF support reflects estimated increase in available CTF revenue.		Federal	4,500,000	0
		Local	160,000	0
		Private	800,000	0
		Restricted	1,800,000	800,000
		GF/GP	\$0	\$0
13. Marine Passenger		Gross	\$928,000	\$84,000
Increases CTF support by \$84,000 reflecting increase in available CTF revenue. This program provides capital grants for marine passenger (ferry) service in Michigan, specifically for ferries that provide service to Beaver Island and to islands on the St. Mary's River in the eastern Upper Peninsula.		Local	500,000	0
		Restricted	428,000	84,000
		GF/GP	\$0	\$0
14. Airport Improvement Program (AIP)		Gross	\$121,076,500	\$500,000
Includes \$121.6 million for program of federal aid for capital improvements to eligible local public airports in the state, an increase of \$500,000 in State Aeronautics Fund support, based on increase in estimated available State Aeronautics Fund revenue. In this line item, State Aeronautics Fund is used to provide matching funds for federal AIP grants.		Federal	106,000,000	0
		Local	12,508,500	0
		Restricted	2,568,000	500,000
		GF/GP	\$0	\$0
15. Detroit Metropolitan Wayne County Airport		Gross	\$4,303,000	\$897,000
Increases Qualified Airport Fund support by \$897,000 reflecting revenue estimates. As provided through 2015 amendments to the State Aeronautics Code, Qualified Airport Fund revenue is appropriated to the Detroit Metropolitan Wayne County Airport.		Restricted	4,303,000	897,000
		GF/GP	\$0	\$0
16. Unclassified Salaries		FTE	6.0	0.0
Includes \$24,800 of restricted funds to support funding increase for the six unclassified positions.		Gross	\$828,600	\$24,800
		Restricted	828,600	24,800
		GF/GP	\$0	\$0
17. Economic Adjustments		Gross	NA	(\$2,254,600)
Reflects net decrease of \$2.3 million Gross (\$0 GF/GP). Budgeted increases for salaries and wages (negotiated 2.0% increase on October 1, 2021 and 1.0% on April 1, 2022), and increases related to actuarially required retirement contributions, worker's compensation, and building occupancy charges, are offset by a reduction in calculated contributions for retiree medical benefits.		IDG	NA	(18,300)
		Federal	NA	(315,500)
		Restricted	NA	(1,920,800)
		GF/GP	NA	\$0

Major Boilerplate Changes from FY 2020-21

Sec. 210. Use of Contingency Fund Transfers – REVISED

Revises section that provides for contingency fund transfers in accordance with the Management and Budget Act to reference contingency "authorization," rather than "fund."

Major Boilerplate Changes from FY 2020-21

Sec. 215. Communication with the Legislature – RETAINED (UNENFORCEABLE)

Retains section that prohibits department from taking disciplinary action against an employee for communicating with the Legislature. *(Governor's signing letter indicated that this section was unenforceable in that impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers.)*

Sec. 217. Work Project Expenditures – RETAINED (UNENFORCEABLE)

Retains section that requires that work project balances be exhausted before expenditure from part 1 appropriations. *(Governor's signing letter indicated that this section was unenforceable in that impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers.)*

Sec. 218. State Administrative Board Transfers – RETAINED (UNENFORCEABLE)

Retains section that provides for the legislature to intertransfer funds within departmental budget if the State Administrative Board transfers funds from an appropriation within this departmental budget. *(Governor's signing letter indicated that this section was unenforceable in that impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers, as well as two sections under Article 4 the Michigan Constitution: Section 22 which requires that all legislation be by bill, and Section 33 which prescribes how bills are enacted into law.)*

Sec. 221. Severance Pay Report – NEW

New reporting requirements related to severance pay paid to department personnel upon the termination of employment.

Sec. 223. Restrictions on Covid-19 Vaccine Passport – NEW

Restricts authority of state agencies to establish a COVID-19 vaccine passport.

Sec. 301. Permit Fees/Bridge Tolls – REVISED

Retains current subsection that provides for permit and FOIA processing fees but deletes subsection that directs a bridge authority to hold three public hearings on any toll increase. The subsection dealing with tolls had been deemed to be unenforceable since the bill does not make appropriations for a bridge authority.

Sec. 302. Report on Debt Service Coverage – NEW (UNENFORCEABLE)

Establishes debt service limits applicable to constitutionally restricted transportation revenue. *(Governor's signing letter indicated that this section was unenforceable in that it attempts to amend 1951 PA 51 by reference in violation of Article 4, Section 25 of the Michigan Constitution.)*

Sec. 303. Signage Related to Bond-Financed Projects – NEW

Requires that when the department places signs identifying trunkline construction projects as bond-financed, the signs also identify the total cost of the project and the estimated borrowing costs associated with the bonds used to finance the project.

Sec. 305. Lease of Space in Public Transportation Property – REVISED

Retains section that authorizes rental of department-owned public transportation properties, but strikes reference to competitive market rates.

Sec. 308. Real Estate Property Report – DELETED

Deletes reporting requirement on all real estate owned or held by the department.

Sec. 308. Winter Maintenance Materials – NEW

Requires use of agricultural additives in accordance with Section 11a of 1951 PA 51 (added by 2020 PA 310).

Sec. 309. Employee Accountability Systems Report – DELETED

Deletes employee accountability system reporting requirement.

Sec. 311. Report on Bridge Bundling Initiative – NEW

Requires a report, due March 30, 2022, on the bridge bundling initiative funded from federal CRRSAA COVID-19 relief funds in the FY 2020-21 supplemental section (Article 14) of 2021 PA 87.

Sec. 313. Report on State Infrastructure Bank – REVISED

Retains section but strikes phrase that requires legislative approval prior to increasing the State Infrastructure Bank.

Sec. 328. FOIA Reporting – DELETED

Deletes section that establishes new reporting requirement with respect to Freedom of Information Act requests.

TRANSPORTATION

Major Boilerplate Changes from FY 2020-21

Sec. 353. Prompt Payment – REVISED (UNENFORCEABLE)

Retains section that directs department to review contractor payment process and which references Special Provision 109.10; deletes reporting requirement. *(Governor's signing letter indicated that this section was unenforceable in that impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers.)*

Sec. 357. Local Federal Aid Project Review – RETAINED (UNENFORCEABLE)

Retains section that directs MDOT to complete project reviews within 120 days; requires system for monitoring review process. *(Governor's signing letter indicated that this section was unenforceable in that impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers.)*

Sec. 377. Limitation on Contracting with Firm Employing Former Director – DELETED

Deletes section that prohibits the department from making expenditure for contractual services, under specific conditions, with a vendor if a former director has direct input into contract solicitation, negotiation, or receives compensation.

Sec. 378. Report on Routing of International Hazardous Materials – DELETED

Deletes reporting requirement related to the routing of hazardous materials.

Sec. 381. E-Verify for Legal Status of Contractor/Subcontractor New Employees – DELETED

Deletes section that requires the department to use the E-Verify system to verify legal status of contractor and subcontractor new hires and which provides reporting requirement.

Sec. 382. Finalize Local Agency Cost Sharing Agreements – RETAINED (UNENFORCEABLE)

Retains section that requires the department to submit final bill to the local agency within two years of final payment to construction contractor. *(Governor's signing letter indicated that this section was unenforceable in that it attempts to amend statute by reference in violation of Article 4, Section 25 of the Michigan Constitution.)*

Sec. 386. Toll Credits – REVISED

Retains section that provides for a report on use of toll credits as a method in financing federal-aid highway projects; deletes subsection that prescribed priority order of toll credit use.

Sec. 387. Traffic Studies – REVISED

Retains section that requires the department to post the results of formal traffic studies on the department website, but modifies posting requirement from 60 days after study completion to 90 days.

Sec. 390. Report on Restricted Funds and Accounts – DELETED

Deletes requirement that the department to report, within 14 days of the Executive budget recommendation, on prior year's revenues, expenditures, and ending balances of certain restricted funds and accounts, as unencumbered General Fund appropriations, and unexpended federal earmarks.

Sec. 391. Prohibition on Motor Fuel Quality Testing – DELETED

Deletes section that prohibits the department from performing or assisting any other state agency in performing motor fuel quality testing.

Sec. 395. Authority to Transfer between Construction/Maintenance – DELETED

Deletes section that authorizes department to transfer up to \$10.0 million from state trunkline construction to trunkline maintenance.

Sec. 398. Toward Zero Deaths Safety Campaign – REVISED

Retains section that directs department to continue to work to eliminate fatalities and serious injuries on the state trunkline network; strikes reference to median cable guardrail.

Sec. 399. Capital Preventive Maintenance – REVISED

Revises section to direct the department to prioritize capital preventive maintenance.

Sec. 503. Restricted Funds Lapse and Carry-Forward Authority – REVISED

Retains current language that provides for lapse of restricted funds, but revises to eliminate carry-forward spending authority for the Local Bridge Fund.

Sec. 505. Communication Availability of Grants – DELETED

Eliminates requirement that department regularly assess the need for, and to provide information about, state and federal grants available to local units of government.

Major Boilerplate Changes from FY 2020-21

Sec. 601. Warranty Program – REVISED

Retains current directives regarding warranty program with additional reporting requirements.

Sec. 612. Incentive/Disincentive Contracts – REVISED

Retains requirement that MDOT establish guidelines for use of incentive/disincentive contracts but strikes reporting requirement.

Sec. 613. Report on Engineering Costs – DELETED

Deletes report on department engineering costs related to federal aid capital projects.

Sec. 660. Use of Alternative Materials – REVISED (UNENFORCEABLE)

Retains section that encourages the department to examine the use of alternative road surface materials. In subsection 2, directs the department to establish a new stakeholder group to review submission of innovative construction material and design specifications. *(Governor’s signing letter indicated that Subsection 2 was unenforceable in that it included an object in the bill that was not included in the bill’s title, in violation of Article 4, Section 24 of the Michigan Constitution.)*

Sec. 661. Alternative Design and Material Study Group – DELETED

Deletes section that established study group; consolidated with Section 660.

Sec. 719. Transit Elderly and Medical Transport Cost per Rider – DELETED

Deletes intent language that for transit providers in the 20 counties with a population greater than 100,000 determine cost per rider, and that those transit systems request proposals from ride sharing companies for 50% of the system’s anticipated service.

Sec. 736. Rail Freight [Propane] Project – NEW

Prohibits use of funds in support the cessation of energy pipeline operations across the Straits of Mackinac.

Sec. 752. Notice of Rail Grant and Loan Programs – REVISED

Retains section that directs the department notify representatives of rail industry of rail grant and loan programs; modified to indicate: “The legislature encourages...”

**FY 2020-21 Supplemental Appropriation Items
Public Act 87 of 2021 (Senate Bill 82, Article 14)**

**Appropriation
Change**

1. Intercity Bus Program

Includes \$3.3 million in federal ARPA funding to provide economic relief for intercity bus carriers.

Gross	\$3,344,200
Federal	3,344,200
GF/GP	\$0

2. Airport Coronavirus Response Grant Program - General Aviation

Includes \$2.0 million in federal CRRSAA funding to provide economic relief to General Aviation airports in Michigan.

Gross	\$2,000,000
Federal	2,000,000
GF/GP	\$0

3. Airport Coronavirus Response Grant Program - Primary Airports

Includes \$68.0 million in federal CRRSAA funding to provide economic relief to Commercial Service - Primary airports in Michigan, which are airports with scheduled air service and more than 10,000 annual passenger boardings. There are 15 Commercial Service - Primary airports in Michigan.

Gross	\$68,000,000
Federal	68,000,000
GF/GP	\$0

4. Enhanced Mobility of Seniors and Individuals with Disabilities

Includes \$803,900 in federal CRRSAA funding to supplement the Enhanced Mobility of Seniors and Individuals with Disabilities program, an ongoing Federal Transit Administration (FTA) program intended to improve mobility for seniors and individuals with disabilities by removing barriers to transportation services and expanding transportation mobility options. Funding is made available to Michigan as a political jurisdiction and is subject to state appropriation and budgetary controls. The department would suballocate funding to local service providers for eligible projects and activities.

Gross	\$803,900
Federal	803,900
GF/GP	\$0

5. Highway Infrastructure Program – Local Allocation

Includes \$65.3 million in federal CRRSAA funding to support local road agency road and bridge programs.

Gross	\$65,327,200
Federal	65,327,200
GF/GP	\$0

TRANSPORTATION

FY 2020-21 Supplemental Appropriation Items
Public Act 87 of 2021 (Senate Bill 82, Article 14)

Appropriation
Change

6. Highway Infrastructure Program – Local Bridge Bundling Initiative
Includes \$196.0 million in federal CRRSAA funding to support the repair or replacement of bridges owned by local road agencies. The program would be coordinated and contracted by the department in order to leverage efficiencies in design and construction delivery. Bridges would be selected according to the following criteria: bridges currently closed to traffic, bridges currently posted or restricted from Michigan legal load limitations, and bridges needing repair to ensure citizen safety and unimpeded flow of commercial traffic.

Gross	\$195,981,600
Federal	195,981,600
GF/GP	\$0

7. Rural Area Apportionments
Includes \$55.4 million in federal CRRSAA funding for local transit agencies. These CRRSAA funds supplement the Rural Area Formula Grant program, an ongoing FTA program. Funding is apportioned to Michigan as a political jurisdiction and is subject to state appropriation and budgetary controls. The department would suballocate funding to local transit agencies.

Gross	\$55,426,200
Federal	55,426,200
GF/GP	\$0

FY 2020-21 Supplemental Boilerplate Items
Public Act 87 of 2021 (Senate Bill 82, Article 14)

Sec. 1101. Highway Infrastructure – Local Bridge Bundling Initiative
Requires appropriation to be expended to support a statewide program for the rehabilitation or replacement of bridges owned by local road agencies; requires the department to coordinate the initiative and issue contracts necessary for planning, design, and construction work related to bridges selected for the program; lists order of priority for bridge repair/replacement; designates appropriation as a work project appropriation.

Sec. 1102. Airport Coronavirus Response Grant Program – Primary Airports
Designates appropriation for Airport Coronavirus Response Grant Program as a work project appropriation; specifies that the purpose of the appropriation is to provide emergency operating assistance to Michigan primary airports.

Sec. 1103. Airport Coronavirus Response Grant Program – General Aviation
Designates appropriation for Airport Coronavirus Response Grant Program as a work project appropriation; specifies that the purpose of the appropriation is to provide emergency operating assistance to Michigan general aviation airports.

Sec. 1104. Enhanced Mobility of Seniors and Individuals with Disabilities Apportionments
Designates appropriation for Enhanced Mobility of Seniors and Individuals with Disabilities Apportionments as a work project appropriation; specifies that the purpose of the appropriation is to provide local emergency assistance in support of transportation services for seniors and persons with disabilities.

Sec. 1105. Highway Infrastructure Program – Local Allocation
Designates appropriation for Highway Infrastructure Program – Local Allocation as a work project appropriation; specifies that the purpose of the appropriation is to provide emergency operating and capital support for local road agencies in Michigan.

Sec. 1106. Rural Area Apportionments
Designates appropriation for Rural Area Apportionments as a work project appropriation; specifies that the purpose of the appropriation is to provide emergency operating and capital assistance to rural local transit agencies.

Sec. 1107. Intercity Bus Program
Designates appropriation for Intercity Bus Program as a work project appropriation; specifies that the purpose of the appropriation is to provide emergency operating assistance to Michigan intercity bus carriers.



Mary Ann Cleary, Director
 Kevin Koorstra, Deputy Director

Agriculture and Rural Development	William E. Hamilton
Capital Outlay	Perry Zielak
Community Colleges	Perry Zielak
Corrections	Robin R. Risko
Education (Department)	Samuel Christensen; Emily Hatch; Jacqueline Mullen
Environment, Great Lakes and Energy	Austin Scott
General Government:	
Attorney General/Civil Rights/State (Department)/	
Technology, Management, and Budget	Michael Clossen
Executive Office/Labor and Economic Opportunity (Michigan Strategic Fund)/	
Legislature/Legislative Auditor General/Lottery/Treasury	Benjamin Gielczyk
Health and Human Services:	
Child Welfare, Child Support, Community Services	Viola Bay Wild; Sydney Brown
Medicaid, Physical and Behavioral Health	Kevin Koorstra
Public Assistance, Field Operations, Medicaid-backup	Kent Dell
Public Health and Aging	Susan Frey
Higher Education	Perry Zielak
Insurance and Financial Services	Marcus Coffin
Judiciary	Robin R. Risko
Licensing and Regulatory Affairs	Marcus Coffin
Military and Veterans Affairs	Michael Clossen
Natural Resources	Austin Scott
Natural Resources Trust Fund	Austin Scott
School Aid	Samuel Christensen; Emily Hatch; Jacqueline Mullen
State Police	Marcus Coffin
Transportation	William E. Hamilton
Unemployment Insurance	Marcus Coffin
Economic/Revenue Forecasting	Jim Stansell
Local Finance/Revenue Sharing/Tax Analysis	Jim Stansell; Benjamin Gielczyk
Legislative Analysis	Rick Yuille
	Edith Best; Jenny McInerney; Emily Smith; Sue Stutzky
Fiscal Oversight, Audit, and Litigation	Mary Ann Cleary
Retirement	Benjamin Gielczyk
Supplemental Coordinator	Robin R. Risko
Transfer Coordinator	Viola Bay Wild
Administrative Assistant/Publications	Kathryn Bateson
Budget Assistant/HFA Internet	Tumai Burriss



P.O. Box 30014 ■ Lansing, MI 48909-7514
(517) 373-8080
www.house.mi.gov/hfa